BILL NO. S-93-05-15, as amended   SPECIAL ORDINANCE NO. S-41-93

AN ORDINANCE concerning the issuance of revenue bonds to refund outstanding waterworks bonds of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, and repealing ordinances in conflict therewith.

WHEREAS, the City of Fort Wayne, Indiana (the "City") has established, constructed and financed waterworks, and now owns and operates said waterworks pursuant to I.C. 8-1.5, and other applicable laws; and

WHEREAS, the City has outstanding certain Waterworks Revenue Bonds of 1967 (the "1967 Bonds") in the amount of One Million One Hundred Thousand Dollars ($1,100,000) maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the hereinafter described 1968 Bonds and the hereinafter described 1978 Bonds; and

WHEREAS, the City also has outstanding certain Waterworks Revenue Bonds of 1968 (the "1968 Bonds") in the amount of One Million Three Hundred Thousand Dollars ($1,300,000) maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the 1967 Bonds and the hereinafter described 1978 Bonds; and

WHEREAS, the City also has outstanding certain Waterworks Revenue Bonds of 1978 (the "1978 Bonds") in the amount of Eleven Million One Hundred Seventy-Five Thousand Dollars ($11,175,000) maturing annually over a period ending January 1, 2003 and first callable prior to maturity on July 1, 1993, which bonds constitute a first charge upon a portion of the gross revenues of the

waterworks and are on a parity with the 1967 Bonds and the 1968 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Refunding Bonds of 1982 (the "<u>1982 Bonds</u>") in the amount of One Million Ninety Thousand Dollars ($1,090,000) maturing annually over a period ending January 1, 2002, which bonds constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the hereinafter described 1986 Bonds and the hereinafter described 1990 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Revenue Bonds of 1986 (the "<u>1986 Bonds</u>") in the amount of Three Million Four Hundred Sixty-Five Thousand Dollars ($3,465,000) maturing annually over a period ending January 1, 2007 and first callable prior to maturity on January 1, 1997, which bonds constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the 1982 Bonds and the hereinafter described 1990 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Revenue Bonds of 1990 (the "<u>1990 Bonds</u>") in the amount of Six Million Eight Hundred Ten Thousand Dollars ($6,810,000), maturing annually over a period ending January 1, 2007 and first callable prior to maturity on January 1, 1998, which bonds constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the 1982 Bonds and the 1986 Bonds (the 1967 Bonds, 1968 Bonds, 1978 Bonds, 1982 Bonds, 1986 Bonds and 1990 Bonds are collectively referred to as the "<u>Prior Bonds</u>"); and

WHEREAS, I.C. 5-1-5 authorizes the refunding of the Prior Bonds in order to effect a savings or modify such restrictive covenants as may impede additional financing, by providing for payment of and defeasing the Prior Bonds from proceeds of other bonds; and

WHEREAS, the Common Council of the City of Fort Wayne deems it advisable to issue the refunding bonds authorized by this Ordinance as "City of Fort Wayne, Indiana, Waterworks Refunding Revenue Bonds of 1993" in original principal amount not to exceed Twenty-Nine Million Dollars ($29,000,000) (the "1993 Bonds") for the purpose of providing, together with certain funds on hand relating to the Prior Bonds, for the payment of (i) the principal amount of the Prior Bonds, (ii) the interest and premium, if any, payable on the Prior Bonds, (iii) the costs of refunding the Prior Bonds, and (iv) the costs of issuing the 1993 Bonds (the "Refunding"); and

WHEREAS, the Common Council deems it advisable to escrow certain proceeds of the 1993 Bonds, together with available funds on hand relating to the Prior Bonds, if any, and investment income thereon, pursuant to the terms of a refunding escrow agreement (the "Escrow Agreement") to be entered into with Norwest Bank Fort Wayne, N.A., Fort Wayne, Indiana, as escrow agent (the "Escrow Agent") to provide for the payments of principal of and interest and premium on the Prior Bonds as such becomes due and payable and at redemption prior to maturity; and

WHEREAS, there is no encumbrance or lien of any kind whatsoever upon the revenues hereby pledged to the payment of the 1993 Bonds, other than the Prior Bonds, and such revenues are not pledged or assigned for any other purpose whatsoever; and

WHEREAS, the Refunding will effect a savings; and

WHEREAS, the Refunding will modernize and modify restrictive covenants that impede additional financing; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the 1993 Bonds have been complied with in accordance with the provisions of I.C. 5-1-5 and I.C. 8-1.5 (together, the "Act").

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. Authorization for Bonds. In order to effect a savings, the City shall issue the 1993 Bonds as herein authorized and proceed with the advance refunding of the Prior Bonds which shall be paid or redeemed in accord with the Escrow Agreement. The terms "waterworks," "works," and other like terms where used in this Ordinance shall be construed to mean and include all structures and property of the City's water utility.

SECTION 2. General Terms of Bonds. The City shall issue its waterworks refunding revenue bonds in an amount not to exceed Twenty-Nine Million Dollars ($29,000,000), to be designated "Waterworks Refunding Revenue Bonds of 1993," for the purpose of procuring funds to apply to the cost of the Refunding. Such 1993 Bonds shall be signed in the name of the City by manual or facsimile signatures of the Mayor of the City (the "Mayor") and Controller of the City (the "Controller") and attested by the manual or facsimile signature of the Clerk of the City (the "Clerk"), who shall affix the seal of the City to each of the 1993 Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or other means. In case any officer whose signature appears on the 1993 Bonds shall cease to be such officer before the delivery of such 1993 Bonds, such signature shall nevertheless be valid and sufficient for all

purposes as if such officer had remained in office until delivery thereof. The 1993 Bonds shall also be authenticated by the manual signature of the Registrar (as defined below).

The 1993 Bonds shall be sold at a price not less than 99.0% of the par value thereof (exclusive of original issue discount), shall be issued in fully registered form in denominations of Five Thousand Dollars ($5,000) or any integral multiple thereof, shall be numbered consecutively from 1 up, shall be originally dated as of the first day of the month in which the 1993 Bonds are sold or as otherwise determined by the Controller, and shall bear interest at a rate or rates not exceeding seven percent (7%) per annum (the exact rate or rates to be determined by negotiation) payable on the first (1st) day of June and December in each year, beginning on December 1, 1993. The 1993 Bonds shall mature serially on December 1 in the years and substantially in accord with the schedule set forth on Exhibit A, with such changes thereto as are approved by the Controller.

All payments of interest on the 1993 Bonds shall be paid by check or draft mailed one business day prior to the interest payment date to the registered owners thereof as of the last day of the month preceding the interest payment date at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent (as defined below) in writing by such registered owner. All principal payments and premium, if any, on the 1993 Bonds shall be made upon surrender thereof at the principal corporate trust office of the Paying Agent in any coin or currency of the United States of America which on the date of such payment shall be legal tender for the payment of public and private debts.

Interest on 1993 Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date thereof unless such 1993 Bonds are authenticated after the fifteenth (15th) day of the month preceding an interest payment date and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless authenticated on or before the fifteenth (15th) day of the month immediately preceding the first interest payment date, in which case they shall bear interest from the original date, until the principal shall be fully paid.

The 1993 Bonds and any bonds ranking on a parity therewith, as to principal, premium and interest, shall be payable from and are hereby secured by an irrevocable pledge of and shall constitute a charge upon all the net revenues, herein defined as the gross revenues of the waterworks after deduction only for payment of the reasonable expenses of operation, repair and maintenance but not including depreciation and payments in lieu of taxes (the "<u>net revenues</u>"), of the waterworks of the City, which bonds constitute a first charge on said net revenues. The City shall not be obligated to pay said bonds or the interest or premium, if any, thereon except from the net revenues of the works, and said bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Any 1993 Bonds issued under this Ordinance may be initially issued in temporary form exchangeable for definitive bonds. The temporary bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Controller, shall be in fully registered form and may contain such

reference to any of the provisions of this Ordinance as may be appropriate. If temporary bonds are issued, definitive bonds will be executed and furnished without delay and thereupon the temporary bonds shall be surrendered for cancellation at the principal corporate trust office of the Registrar and the Registrar shall deliver in exchange for such temporary bonds an equal aggregate principal amount of definitive bonds of the same interest rates and maturities. Until so exchanged, the temporary bonds shall be entitled to the same benefits under this Ordinance as definitive bonds issued hereunder.

Each 1993 Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose by the Registrar, by the registered owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such 1993 Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the City. The City, Registrar and Paying Agent may treat and consider the persons in whose name such 1993 Bonds are registered as the absolute owners thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest and premium, if any, due thereon.

In the event any 1993 Bond is mutilated, lost, stolen or destroyed, the City may execute and the Registrar may authenticate a new bond of like date, maturity and denomination as that mutilated, lost, stolen

or destroyed, which new bond shall be marked in a manner to distinguish it from the bond for which it was issued, provided that, in the case of any mutilated bond, such mutilated bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them. In the event any such bond shall have matured, instead of issuing a duplicate bond, the City and the Registrar may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The City and the Registrar may charge the owner of such 1993 Bond with their reasonable fees and expenses in this connection. Any bond issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the City, whether or not the lost, stolen or destroyed 1993 Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other 1993 Bonds issued hereunder.

SECTION 3. Terms of Redemption. The 1993 Bonds maturing on or after December 1, 2003 are redeemable prior to maturity at the option of the City on December 1, 2002 or any date thereafter, on thirty (30) days' notice, in whole or in part, in any order of maturities selected by the City and by lot within a maturity, at 100% of face value, but without premium, plus accrued interest to the date fixed for redemption.

Notice of such redemption shall be mailed by first-class mail or by registered or certified mail to the address of each registered owner as shown on the registration record of the City not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption except to the extent such redemption

notice is waived by the owners of 1993 Bonds redeemed, provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any 1993 Bond shall not affect the validity of any proceedings for the redemption of any other 1993 Bonds. The notice shall specify the date and place of redemption, the redemption price and the CUSIP numbers of the 1993 Bonds called for redemption. The place of redemption may be determined by the City. Interest on the 1993 Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such 1993 Bonds shall no longer be protected by this Ordinance and shall not be deemed to be outstanding hereunder, and the holders thereof shall have the right only to receive the redemption price.

All 1993 Bonds which have been redeemed shall be cancelled and shall not be reissued; provided, however, that one or more new registered bonds shall be issued for the unredeemed portion of any 1993 Bond without charge to the holder thereof.

Prior to the date fixed for redemption, funds shall be deposited with the Paying Agent to pay, and the Paying Agent is hereby authorized and directed to apply such funds to the payment of, the 1993 Bonds or portions thereof called for redemption, including accrued interest thereon to the redemption date. No payment shall be made by the Paying Agent upon any 1993 Bond or portion thereof called for redemption until such bond shall have been delivered for payment or cancellation or the Registrar shall have received the items required by this Ordinance with respect to any mutilated, lost, stolen or destroyed bond.

SECTION 4. Appointment of Registrar and Paying Agent. Norwest Bank Fort Wayne, N.A., in Fort Wayne, Indiana is hereby appointed to serve as registrar and paying agent for the 1993 Bonds ("Registrar" or "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the 1993 Bonds, and shall keep and maintain at its principal corporate trust office books for the registration and transfer of the 1993 Bonds. The Mayor is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of the Registrar and Paying Agent. The Controller is authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid as fiscal agency charges from the Waterworks Sinking Fund described herein to pay the principal of and interest on the 1993 Bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving thirty (30) days written notice to the City and by first-class mail to each registered owner of the 1993 Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the City. Such notice to the City may be served personally or be sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor Registrar and Paying Agent. The City shall notify each registered owner of the 1993 Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of the 1993 Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered

owners as they appear on the bond register. Any predecessor Registrar and Paying Agent shall deliver all the 1993 Bonds and cash in its possession and the bond register to the successor Registrar and Paying Agent. At all times, the same entity shall serve as Registrar and as Paying Agent.

The provisions of this Section 4 are subject to the provisions of Section 22(h) to the extent Section 22(h) is applicable.

SECTION 5. Form of Bonds; Book-Entry Bonds. The form and tenor of the 1993 Bonds, shall be substantially as follows, all blanks to be filled in properly prior to delivery thereof:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF ALLEN

CITY OF FORT WAYNE

WATERWORKS REFUNDING REVENUE BOND OF 1993

Interest Rate	Maturity Date	Original Date	Authentication Date	CUSIP

Registered Owner:

Principal Sum:

The City of Fort Wayne, in Allen County, State of Indiana, for value received, hereby promises to pay to the Registered Owner set forth above, solely out of the special fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond is subject to and is called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Sum shall be fully paid at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after

the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case interest shall be paid from such interest payment date, or unless this bond is authenticated on or before November 15, 1993 in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of June and December of each year, beginning on December 1, 1993.

The principal of this bond is payable at the principal corporate trust office of Norwest Bank Fort Wayne, N.A., (the "Registrar" or "Paying Agent"), in Fort Wayne, Indiana. All payments of interest on this bond shall be paid by check or draft mailed one business day prior to the interest payment date to the registered owner hereof as of the fifteenth day of the month preceding the interest payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments of principal of this bond shall be made upon surrender thereof at the principal corporate trust office of the Paying Agent in any coin or currency of the United States of America which on the dates of such payment shall be legal tender for the payment of public and private debts.

This bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the City shall not be obligated to pay this bond or the interest thereon except from the special fund provided from the net revenues of the City's waterworks utility.

The terms and provisions of this bond are continued on the reverse side hereof and such terms and provisions shall for all purposes have the same effect as though fully set forth at this place.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the City of Fort Wayne, in Allen County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signatures of the Mayor and Controller, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its City Clerk.

CITY OF FORT WAYNE, INDIANA

(SEAL OF CITY) By ______________________________
Mayor

By ______________________________
Controller

ATTEST:

____
City Clerk

(Form of Registrar's Certificate of Authentication)

It is hereby certified that this bond is one of the bonds described in the within-mentioned Ordinance duly authenticated by the Registrar.

NORWEST BANK FORT WAYNE, N.A.,
as Registrar

By ______________________________
Authorized Representative

(To be printed on Reverse Side)

This bond is one of an authorized issue of bonds of the City of Fort Wayne, of like original date, tenor and effect, except as to denomination, numbering, interest rates, redemption terms and dates of maturity, in the total amount of _________ _______________________ Dollars ($_____________), numbered from 1 up, issued for the purpose of providing funds to be applied to the cost of refunding the City's Waterworks Revenue Bonds of 1967, Waterworks Revenue Bonds of 1968, Waterworks Revenue Bonds of 1978, Junior Waterworks Refunding Bonds of 1982, Junior Waterworks Revenue Bonds of 1986 and Junior Waterworks Revenue Bonds of 1990 and to pay incidental expenses, as authorized by Ordinance No. _______ adopted by the Common Council of the City of Fort Wayne on the 18th day of May, 1993, entitled "AN ORDINANCE concerning the issuance of revenue bonds to refund outstanding waterworks bonds of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, and repealing ordinances in conflict therewith" (the "Ordinance"), and in strict compliance with the provisions of I.C. 5-1-5 and I.C. 8-1.5 and other applicable laws, as amended (collectively, the "Act").

Pursuant to the provisions of the Act and said Ordinance, the principal of and interest on this bond and all other bonds of said issue and any bonds hereafter issued on a parity therewith are payable solely from the Waterworks Sinking Fund to

be provided from the net revenues (defined as the gross revenues of the waterworks of the City after deduction only for the payment of the reasonable expenses of operation, repair and maintenance but not including depreciation and payments in lieu of taxes). This bond and the issue of which it is a part, together with any parity bonds hereafter issued, constitute a first charge against said net revenues.

The City of Fort Wayne irrevocably pledges the entire net revenues of said waterworks to the prompt payment of the principal of and interest on the bonds authorized by the Ordinance, of which this is one, and any bonds ranking on a parity therewith, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works and for the payment of the sums required to be paid into said Waterworks Sinking Fund under the provisions of the Ordinance. In the event the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for under Indiana law.

The City of Fort Wayne further covenants that it will set aside and pay into its Waterworks Sinking Fund a sufficient amount of the net revenues of said works to (a) pay the principal and interest payments on all bonds payable from the net

revenues of the waterworks, as such principal and interest shall fall due, and (b) pay the necessary fiscal agency charges for paying all bonds and interest as required by the Ordinance. Such required payments shall constitute a first charge upon all the net revenues of said works.

The bonds of this issue maturing on or after December 1, 2003 are redeemable at the option of the City on December 1, 2002 or any date thereafter, on thirty (30) days' notice, in whole or in part, in any order of maturities selected by the City and by lot within a maturity, at 100% of face value, but without premium, plus accrued interest to the date fixed for redemption.

Notice of such redemption shall be mailed by first-class mail or by registered or certified mail not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption to the address of the Registered Owner as shown on the registration record of the City except to the extent such redemption notice is waived by the owners of the bond or bonds redeemed, provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any bond shall not affect the validity of any proceedings for the redemption of any other bonds. The notice shall specify the date and place of redemption, the redemption price and the CUSIP numbers of the bonds called for redemption. The place of redemption may be determined by the City. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such bonds shall

no longer be protected by the Ordinance and shall not be deemed to be outstanding thereunder, and the holders thereof shall have the right only to receive the redemption price.

If this bond shall not be presented for payment on the date fixed therefor, the City may deposit in trust with the Paying Agent or another financial institution approved by the City, an amount sufficient to pay such bond, and thereafter the Registered Owner shall look only to the funds so deposited in trust with said financial institution for payment and the City shall have no further obligation or liability in respect thereto.

This bond is subject to defeasance prior to payment as provided in the Ordinance and the owner of this bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Ordinance.

This bond is transferable or exchangeable only upon the books of the City kept for that purpose at the office of the Registrar by the Registered Owner in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. The City, any registrar and any paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for

all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

The bonds maturing in any one year are issuable only in fully registered form in the denomination of $5,000 or any integral multiple thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

STATEMENT OF INSURANCE

Financial Guaranty Insurance Company ("Financial Guaranty") has issued a policy containing the following provisions with respect to this bond and all other bonds of this issue, such policy being on file at the principal office of the Paying Agent:

Financial Guaranty hereby unconditionally and irrevocably agrees to pay for disbursement to the bondholders that portion of the principal of and interest on the bonds which is then due for payment and for which the City shall have failed to provide. Due for payment means, with respect to the principal, the stated maturity date thereof and does not refer to any earlier date on which the payment of principal of the bonds is due by reason of call for redemption, acceleration or other advancement of maturity, and with respect to interest, the stated date for payment of such interest.

Upon receipt of telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a bondholder or the Paying Agent to Financial Guaranty that the required payment of principal or interest has not been made by the City to the Paying Agent, Financial Guaranty on the due date of

such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with Citibank, N.A., or its successor as its agent (the "Fiscal Agent"), sufficient to make the portion of such payment not paid by the City. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the bondholder's right to receive such payment and any appropriate instruments of assignment required to vest all of such bondholder's right to such payment in Financial Guaranty, the Fiscal Agent will disburse such amount to the bondholder.

As used herein the term "bondholder" means the person other than the City who at the time of nonpayment of a bond is entitled under the terms of such bond to payment thereof.

The policy is non-cancellable for any reason.

FINANCIAL GUARANTY INSURANCE COMPANY

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto ________________ __________ (Please Print or Typewrite Name and Address) $______________________________ principal amount (must be a multiple of $5,000) of the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____________ __________________, attorney to transfer the within bond on the books kept for the registration thereof with full power of substitution in the premises.

____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

____
NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

(End of Bond Form)

The 1993 Bonds shall initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (the "Clearing Agency"), without physical distribution of bonds to the public. One definitive 1993 Bond of each maturity shall be delivered to the Clearing Agency and held in its custody. The City and the Registrar and Paying Agent may, in connection herewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the 1993 Bonds as are necessary or appropriate to accomplish or recognize such book-entry form 1993 Bonds.

So long as the 1993 Bonds remain and are held in book-entry form on the books of a Clearing Agency, then (1) any such 1993 Bond may be registered upon the books kept by the Registrar in the name of such Clearing Agency, or any nominee thereof, including CEDE & Co., as nominee of The Depository Trust Company; (2) the Clearing Agency in whose name such 1993 Bond is so registered shall be, and the City and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such 1993 Bond for all purposes of this Ordinance, including, without limitation, receiving payment of the principal of, premium, if any, and interest on such 1993 Bond, the receiving of notice and giving of consent; (3) neither the City nor the Registrar and Paying Agent shall have any responsibility or

obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any 1993 Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any 1993 Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal of, premium, if any, or interest on any 1993 Bond, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any 1993 Bond called for partial redemption prior to receiving payment so long as the Registrar and the Clearing Agency have agreed to the method for noting such partial redemption.

If the City receives notice from the Clearing Agency which is currently the registered owner of the 1993 Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the 1993 Bonds or the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the 1993 Bonds, then the City and Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the 1993 Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the 1993 Bonds and to transfer the ownership of each of the 1993 Bonds to such person or persons, including any other Clearing Agency, as the holders of the 1993 Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the 1993 Bonds, shall be paid by the City.

So long as the 1993 Bonds remain and are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of 1993 Bonds as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered owner of a 1993 Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the 1993 Bonds as the bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Ordinance.

So long as the 1993 Bonds remain and are held in book-entry form on the books of The Depository Trust Company, the provisions of its standard form of Letter of Representations, if executed in connection with the issuance of the 1993 Bonds, as amended and supplemented, or any successor agreement shall control on the matters set forth herein. The Registrar, by accepting the duties of Registrar under this Ordinance, agrees that it will undertake the duties of "Agent" set forth therein and that those duties to be undertaken by either the "Agent" or the "Issuer" in paragraphs 2, 3, 4 and 12 thereof shall be the responsibility of the Registrar. Further, so long as the 1993 Bonds remain and are held in book-entry form, the provisions of Section 5 of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

SECTION 6. Sale of Bonds. The Controller is hereby authorized and directed to have the 1993 Bonds prepared, and the Mayor, Controller and Clerk are hereby authorized and directed to execute the 1993 Bonds in

substantially the form and the manner herein provided. The Controller is hereby authorized and directed to deliver the 1993 Bonds to the purchaser; thereupon, the Controller shall be authorized to receive from the purchaser the purchase price and take the purchaser's receipt for the 1993 Bonds. The amount to be collected by the Controller shall be the full amount which the purchaser has agreed to pay therefor, which shall be not less than 99.0% of the face value of the 1993 Bonds (exclusive of original issue discount) plus accrued interest to the date of delivery.

The Mayor is authorized to enter into a bond purchase contract in customary form with First Chicago Capital Markets, Inc. and Summers & Company, Inc., as bond purchasers, on behalf of the City. The entry by the City into the purchase contract and the execution of the purchase contract on behalf of the City by the Mayor in accordance with this Ordinance are hereby authorized and approved.

The 1993 Bonds, when fully paid for and delivered to the purchasers, shall be the binding special revenue obligations of the City, payable out of the net revenues of the City's waterworks to be set aside into the Sinking Fund as herein provided.

The opinion of Barnes & Thornburg, bond counsel, approving the legality of the 1993 Bonds, will be furnished to the purchasers at the expense of the City.

SECTION 7. Use of Bond Proceeds. The proceeds derived from the sale of the 1993 Bonds shall be and are hereby set aside for application on the cost of the Refunding.

The proceeds of the 1993 Bonds plus moneys on hand in connection with the Prior Bonds and which are available, if any, together with investment earnings

thereon, to carry out the refunding of the Prior Bonds shall be deposited in escrow pursuant to the Escrow Agreement. The balance of the proceeds of the 1993 Bonds shall be used to pay costs of issuance of the 1993 Bonds and other incidental expenses. Accrued interest to the date of delivery shall be deposited in the Debt Service Account of the Sinking Fund described below and used to pay interest on the 1993 Bonds on the first interest payment date. In the event any proceeds remain after all such payments have been made, such proceeds shall be transferred to the Sinking Fund described below.

SECTION 8. Approval of Escrow Agreement. The Escrow Agreement shall be in substantially the form attached hereto as Exhibit B, with such changes therein as the Mayor approves as evidenced by his signature thereon. The moneys deposited pursuant to the Escrow Agreement to carry out the Refunding shall be held as cash or invested in direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, and shall be irrevocably set aside and pledged for such purpose. The Mayor is hereby authorized to enter into the Escrow Agreement and the Controller is hereby authorized to pay the charges for the services of the Escrow Agent. The entry by the City into the Escrow Agreement and the execution of the Escrow Agreement on behalf of the City, and the taking of such other action and the execution of such other instruments as are necessary to effect the Refunding, by the Mayor, Controller and Clerk in accordance with this Ordinance, are hereby authorized, approved and ratified. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things may be necessary to carry out the provisions of this Ordinance. First Chicago Capital Markets, Inc. is hereby authorized

to take such actions as it deems appropriate with the approval of the Controller to carry out the Refunding if finally consummated, including the execution of documents necessary to make subscription to acquire appropriate securities to be held under the Escrow Agreement.

SECTION 9. Collection of Revenues; Funding Operation, Repair and Maintenance. There shall be set apart and paid out of the gross revenues of the works into a cash operating fund which is hereby created and designated as the Waterworks Operation and Maintenance Fund (the "Operation and Maintenance Fund") an amount necessary and sufficient to pay the monthly costs of operating, repairing and maintaining said waterworks. The moneys credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the waterworks on a day-to-day basis, but none of the moneys in the Operation and Maintenance Fund shall be used for extensions, improvements, or additions. Payments in lieu of taxes shall be made not more frequently than semiannually on or about June 30 and December 31 and may be made only if the amounts required to be held as of such dates in the Sinking Fund pursuant to Section 10 are so held. Any balance in the Operation and Maintenance Fund may be transferred to the Sinking Fund if necessary to prevent a default in payment on the then outstanding 1993 Bonds.

SECTION 10. Sinking Fund for Bonds. The Waterworks Sinking Fund (the "Sinking Fund") is hereby created and designated and constituted as the special fund for the payment of the 1993 Bonds. The Sinking Fund shall be divided into two accounts hereby designated as the Waterworks Debt Service Account (the "Debt Service Account") and the Waterworks Reserve Account (the "Reserve Account").

There shall be set aside from the gross revenues of the works, after first making the required payments into the Operation and Maintenance Fund, and paid into the Debt Service Account of the Sinking Fund monthly, as available, a sufficient amount of the net revenues of the waterworks for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of said waterworks, as such interest shall fall due, (b) the necessary fiscal agency charges for paying such bonds and interest, and (c) the principal of all bonds payable from the revenues of the waterworks, as such principal shall fall due. The monthly payments into said Debt Service Account shall be in an amount equal to at least one-sixth (1/6th) of the amount required for interest during the next succeeding six (6) calendar months and an amount equal to one-twelfth (1/12th) of the amount required for payments during the next succeeding twelve (12) calendar months for the hereinabove described purposes other than interest payments.

There shall be held in said Reserve Account an amount which equals the following with respect to the 1993 Bonds and any additional bonds subsequently issued on a parity with the 1993 Bonds (the "<u>Reserve Requirement</u>"): the lesser of 10% of the proceeds thereof, the maximum annual principal and interest requirements thereon, or 125% of the average annual principal and interest requirements thereon. The Reserve Requirement is hereby determined to be reasonable. All money in the Reserve Account shall be used and withdrawn by the City solely for the purpose of making payment on the 1993 Bonds and any additional bonds subsequently issued on a parity with the 1993 Bonds to the extent that available moneys in the Debt Service Account are insufficient for such purpose, or to make the final

payments on such bonds when money in the Reserve Account, together with other money held in the Sinking Fund, is sufficient to make all remaining payments to final maturity, provided, notwithstanding the foregoing, amounts in the Reserve Account in excess of the Reserve Requirement shall be transferred from time to time to the Debt Service Account and thereupon applied to the required payments into the Debt Service Account as provided in the preceding paragraph. In the event moneys held in the Reserve Account are used to pay principal of and interest on the 1993 Bonds or any additional bonds subsequently issued on a parity with the 1993 Bonds, then such depletion of said Reserve Account to an amount less than the Reserve Requirement shall be made up from available net revenues within twelve (12) months from substantially equal monthly deposits, after required deposits to the Debt Service Account, to restore the balance of the Reserve Account to an amount equal to the Reserve Requirement.

Amounts held on the date of issuance of the 1993 Bonds in the reserve account for the Prior Bonds shall be credited to the Reserve Account and applied toward the Reserve Requirement together with any amounts needed from the Sinking Fund for the Prior Bonds, and the remaining amounts then in the reserve account for the Prior Bonds, if any, together with remaining amounts held in the debt service account for the Prior Bonds, shall be credited to the Debt Service Account or deposited to the Escrow Account under the Escrow Agreement, as directed by bond counsel.

To the extent applicable, the requirements of Section 22(d) with respect to the Reserve Account shall be satisfied.

Any excess revenues of the waterworks available after making the deposits required by Sections 9 and 10

above may be used to provide or restore any debt service reserve account established to secure junior bonds issued as contemplated by Section 17(d).

In no event shall any part of the Sinking Fund be used in calling bonds for redemption prior to maturity except to the extent that the amount then in the Debt Service Account of the Sinking Fund exceeds the amount required to pay the bonds which will mature within a period of twelve (12) calendar months next following the date of such redemption, together with all interest on the bonds payable in said period. Any such excess of funds above said required level may also be used in purchasing outstanding bonds at a price less than the then applicable redemption price, if first approved by the Common Council. Moneys in the Sinking Fund shall not be used for any purpose whatsoever except as stated in this section.

SECTION 11. <u>Funding Improvements to the Works and Payments in Lieu of Taxes</u>. Any excess revenues of the waterworks available after making the deposits required by Sections 9 and 10 may be set aside and paid into the special utility fund which is hereby created and designated as the Waterworks Depreciation Fund (the "<u>Depreciation Fund</u>"), and be used to pay the cost of additions, improvements and extensions to the waterworks. No revenues of the waterworks shall be deposited in or credited to the Waterworks Depreciation Fund which will interfere with the requirements of the Sinking Fund.

To the extent applicable, the requirements of Section 22(d) with respect to the Depreciation Fund shall be satisfied.

In the event of any deficiency at any time in the Operation and Maintenance Fund or the Sinking Fund, funds may be withdrawn from the Depreciation Fund for

deposit into said Operation and Maintenance Fund or Sinking Fund in the amount of such deficiency.

SECTION 12. Investments. The moneys in any of such funds or accounts shall be invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, and in accordance with the arbitrage certificate delivered at the time of delivery of any bonds payable from such funds and accounts. Investments of amounts held in the Reserve Account shall have a term to maturity of not greater than ten (10) years. To the extent applicable, the requirements of Section 22(d) with respect to permitted investments shall be satisfied.

All revenues derived from the operation of the waterworks and from the collection of water rates and charges and from the investment of moneys in the funds herein created shall be accounted for separate and apart from all other funds and accounts of the City. No moneys derived from the revenues of the waterworks (including investment income) shall be transferred to the general fund of the City or be used for any purpose not connected with the waterworks if such transfer or use would interfere with the flow of funds set forth herein.

Investment income from such funds and accounts shall, except as otherwise provided herein, be treated as revenues of the waterworks, and shall be used as provided in this Ordinance.

SECTION 13. Books and Records. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and deposited in said funds, all disbursements made therefrom on account of the operation of the works and to meet the requirements of the Sinking Fund, and all other financial transactions

relating to said works, including the cash balances in each of the funds and accounts described herein as of the close of the preceding fiscal year. Upon written request, there shall be prepared and furnished to the original purchasers of the 1993 Bonds and to any subsequent owner of the bonds at the time then outstanding, not more than four (4) months after the close of each fiscal year, operating income and expense and balance sheet statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the Controller, or the person charged with the duty of auditing the books and records relating to the works, or such statements may be prepared by an independent certified public accountant retained by the City for the purpose of preparing such statements. Copies of all such statements and reports shall be kept on file in the office of the Controller. Any owner or owners of the 1993 Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

SECTION 14. Rate Covenant. The City shall, to the fullest extent permitted by law, establish, maintain and collect just and equitable rates and charges for the use of and the services rendered by said waterworks, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said waterworks by or through any part of the water system of the City, or that in any way uses or is served by such works. Such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, for depreciation and improvement, and for the payment of the sums required to be paid into the Sinking

Fund. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, depreciation and improvement, and the requirements of the Sinking Fund. The reasonable value of any facility or service rendered to the City, or to any department, agency or instrumentality thereof, including the use of water for hydrants for fire protection or for any other purpose, shall be charged against the City and shall be paid for as the charges accrue, and the payments so received shall be deemed to be earnings derived from the operation of the waterworks and shall be used and accounted for in the same manner as other earnings derived from the operation of the waterworks. In no event shall the annual gross revenues of the waterworks after payment of the expenses of operation, repair and maintenance (but not including depreciation and payments in lieu of taxes) be less than one hundred and twenty percent (120%) of the annual interest and principal requirements of the 1993 Bonds and any additional bonds issued pursuant to Section 16 hereof. For these purposes, the interest rate on variable rate debt shall be assumed to be the average interest rate thereon in the preceding calendar year.

SECTION 15. Defeasance. If, when the 1993 Bonds or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the 1993 Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest so due and payable upon all of such bonds or any portion thereof then outstanding shall be paid, or (i) cash, or (ii) direct non-callable obligations of (including obligations issued or held in

book entry form on the books of) the Department of the Treasury of the United States of America, and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, and to the extent permitted by Indiana law, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by Standard & Poor's Corporation or Aaa by Moody's Investors Service (or any combination thereof), the principal of and the interest on which when due without reinvestment will provide sufficient moneys, or (iii) any combination of the foregoing, shall be held irrevocably in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the 1993 Bonds or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the net revenues of the City's waterworks.

SECTION 16. Additional Bonds. The City reserves the right to authorize and issue additional bonds, payable out of the revenues of its waterworks, ranking on a parity with the 1993 Bonds for the purpose of financing the cost of future additions, extensions and improvements to the waterworks or to provide for a complete or partial refunding of the 1993 Bonds or other bonds payable out of the revenues of the waterworks, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the waterworks shall have been paid to date in accordance with the terms thereof, provided, this condition shall be deemed satisfied if any required amount is to be provided from the

proceeds of the parity bonds or other funds of the City.

(b) As of the time of issuance of the additional parity bonds, the balance in the Reserve Account shall be at least equal to the Reserve Requirement for the 1993 Bonds and all then outstanding bonds ranking on a parity therewith, provided, this condition shall be deemed satisfied if any required amount is to be provided from the proceeds of the newly issued parity bonds or other funds of the City, and furthermore, the ordinance authorizing the proposed additional parity bonds must include a provision requiring the City to build the balance in the Reserve Account to an amount equal to the Reserve Requirement for the proposed additional parity bonds, unless the Reserve Account is fully funded as of the time of issuance of the additional parity bonds, from available net revenues within twelve (12) months from substantially equal monthly deposits after required deposits to the Debt Service Account.

(c) The net operating revenues of the waterworks in the fiscal year immediately preceding the issuance of any additional bonds ranking on a parity with the 1993 Bonds shall be not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the water rates and charges shall be increased or the service area or customer base shall be expanded sufficiently

so that said increased rates and charges and/or volume applied to the previous fiscal year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; provided, however, annual principal and interest requirements of a series of bonds may be reduced in inverse order of maturity for purposes of this subsection by the balance in the Reserve Account allocable thereto. For purposes of this subsection, the records of the waterworks shall be analyzed and all showings shall be prepared by a certified public accountant or independent financial advisor employed by the City for that purpose.

(d) The principal of the additional parity bonds shall be payable annually on December 1 and the interest shall be payable semiannually on June 1 and December 1 during the periods in which principal and interest are payable, and, if the additional parity bonds are issued as capital appreciation bonds, the amount payable at maturity thereof shall be payable on June 1 and/or December 1 during the periods in which such maturity amounts are payable.

(e) Additional parity bonds issued as variable rate debt must be assumed to bear the maximum interest rate thereon for the purpose of certifying satisfaction of the 120% condition set forth above, and a maximum rate must be set for any such variable rate

additional parity bonds. Furthermore, any put feature associated with such variable rate debt must be covered by remarketing proceeds or a liquidity facility issued by a provider which is either (i) rated in one of the two highest short-term rating categories of Moody's Investors Service or Standard & Poor's Corporation, or (ii) for as long as any 1993 Bonds are insured by the Bond Insurer (as defined in Section 22), acceptable to the Bond Insurer (as defined in Section 22).

(f) To the extent applicable, the requirements of Section 22(f) shall be satisfied.

SECTION 17. Additional Covenants of the City. For the purpose of further safeguarding the interests of the holders of the 1993 Bonds, it is specifically provided as follows:

(a) The City shall at all times maintain its waterworks in good condition and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the 1993 Bonds are outstanding, the City shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. In addition to or in lieu of the foregoing, the City may provide for coverage on all or part of the works comparable to that described above through a self-insurance program. Insurance proceeds

shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as net revenues of the works.

(c) So long as any of the 1993 Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete or other property not required for proper operation and maintenance of the works.

(d) Except as provided in Section 16 hereof, so long as any of the 1993 Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the waterworks shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the 1993 Bonds, unless all of the 1993 Bonds are redeemed, retired, or defeased coincidentally with the delivery of such additional bonds or other obligations.

(e) This Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of any 1993 Bonds, nor shall the Common Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said bonds or the interest thereon remain unpaid.

(f) The provisions of this Ordinance shall be construed to create a trust in the

proceeds of the sale of the 1993 Bonds for the uses and purposes herein set forth. The provisions of this Ordinance shall also be construed to create a trust in the portion of the net revenues herein directed to be set apart and paid into the Sinking Fund and for the uses and purposes of said Fund as set forth in this Ordinance. The owners of the 1993 Bonds shall have all of the rights, remedies and privileges set forth under the Act in the event of default in the payment of the principal of or interest on any of the 1993 Bonds or in the event of default with respect to any of the provisions of this Ordinance or the Act.

SECTION 18. Tax Covenants. In order to preserve the exclusion of interest on the 1993 Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the 1993 Bonds, the City represents, covenants and agrees that:

(a) No person or entity, other than the City or another state or local governmental unit, will use proceeds of the 1993 Bonds or property financed by the 1993 Bond proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by 1993 Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract, or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No 1993 Bond proceeds will be loaned to any entity or person other than a state or local governmental unit. No 1993 Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a non-governmental person in any manner that would in substance constitute a loan of the 1993 Bond proceeds.

(c) The City will not take any action or fail to take any action with respect to the 1993 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 1993 Bonds pursuant to Section 103 of the Internal Revenue Code of 1986 as in effect on the date of issuance of the 1993 Bonds (the "Code"), including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on 1993 Bond proceeds or other monies treated as 1993 Bond proceeds to the federal government as provided in Section 148 of the Code, and will set aside such monies, which may be paid from investment income on funds and accounts, in trust for such purposes.

(d) The City will file an information report Form 8038-G with the Internal Revenue Service as required by Section 149 of the Code.

(e) The City will not make any investment or do any other act or thing during the period that any 1993 Bond is outstanding hereunder which would cause any 1993 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations

applicable thereto as in effect on the date of delivery of the 1993 Bonds.

The City will not take any action or fail to take any action with respect to the 1993 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 1993 Bonds pursuant to Section 103(a) of the Code, and the City will not act in any manner which would adversely affect such exclusion.

Notwithstanding any other provisions of this Ordinance, the foregoing covenants and authorizations (the "Tax Sections") which are designed to preserve the exclusion of interest on the 1993 Bonds from gross income under federal income tax law (the "Tax Exemption") need not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

SECTION 19. Amendments. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the 1993 Bonds then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest or premium, if any,

on any 1993 Bond or an advancement of the earliest redemption date on any 1993 Bond; or

(b) A reduction in the principal amount of any 1993 Bond or the redemption premium or the rate of interest thereon, or a change in the monetary medium in which such amounts are payable; or

(c) The creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by this Ordinance; or

(d) A preference or priority of any 1993 Bond or Bonds over any other 1993 Bond or Bonds; or

(e) A reduction in the aggregate principal amount of the 1993 Bonds required for consent to such supplemental ordinance.

If the City shall desire to obtain any such consent, it shall cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the registration books held by the Registrar. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Registrar for inspection by all owners of the 1993 Bonds. The Registrar shall not, however, be subject to any liability to any owners of the 1993 Bonds by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental ordinance when consented to and approved as herein provided.

Whenever at any time within one year after the date of the mailing of such notice, the City shall receive any instrument or instruments purporting to be executed by the owners of the 1993 Bonds of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate

principal amount of the 1993 Bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental ordinance described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar, thereupon, but not otherwise, the City may adopt such supplemental ordinance in substantially such form, without liability or responsibility to any owners of the 1993 Bonds, whether or not such owners shall have consented thereto.

No owner of any 1993 Bond shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of 1993 Bonds then outstanding, shall thereafter be determined exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the 1993 Bonds, and the terms and provisions of the 1993 Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the 1993 Bonds then outstanding.

Without notice to or consent of the owners of the 1993 Bonds, the City may, from time to time and at any time, adopt such ordinances supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental ordinances shall thereafter form a part hereof),

(a) to cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance; or

(b) to grant to or confer upon the owners of the 1993 Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the 1993 Bonds; or

(c) to procure a rating on the 1993 Bonds from a nationally recognized securities rating agency designated in such supplemental ordinance, if such supplemental ordinance will not adversely affect the owners of the 1993 Bonds; or

(d) to make any other change which is not to the prejudice of the owners of the 1993 Bonds; or

(e) to provide for the refunding or advance refunding of the 1993 Bonds.

To the extent applicable, any supplemental ordinance shall be subject to the requirements of Section 22(b).

SECTION 20. Defaults. In the event available moneys hereunder, subject to the restrictions on use of money held under this Ordinance as set forth herein, are insufficient to pay debt service on all bonds payable from the revenues of the waterworks when due, available moneys shall be applied, after payment of all costs and

expenses associated therewith, to the 1993 Bonds and any additional bonds issued in accord with Section 16 hereof (together, "Parity Bonds") as follows:

First - To the payment to the persons entitled thereto of all installments of interest then due, including interest on any past due principal at the rate borne by such bond, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to such payment ratably, according to the amounts due on such installments, to the persons entitled thereto, without any discrimination or privilege; and

Second - To the payment to the persons entitled thereto of the unpaid principal of and premium on any of such bonds which shall have become due either at maturity or pursuant to a call for redemption (other than bonds called for redemption for the payment of which other moneys are held), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the amounts due on any particular date, then to such payment ratably, according to the amount due on such date, to the persons entitled thereto without any discrimination or privilege.

During the continuance of any default in the payment of either principal of or interest or premium on any 1993 Bond or other Parity Bond, no payment shall be made with respect to any subordinate and junior bonds issued in accord with Section 17(d) hereof ("Junior Bonds"). Moneys available for payment to holders of

Junior Bonds shall, in the event of an insufficient amount being available to pay all debt service with respect to the Junior Bonds when due, be applied to the Junior Bonds in accordance with the sequence and other terms set forth above with respect to payments regarding Parity Bonds unless otherwise provided in the ordinance authorizing the Junior Bonds.

SECTION 21. Approval of Official Statement. The distribution of the preliminary official statement with respect to the 1993 Bonds, substantially in the form presented to this meeting, with such changes and modifications as may be authorized by the Mayor, as evidenced by his signature thereon, is hereby authorized, approved and ratified, and this Council hereby deems final said official statement, as of its date, in accordance with the provisions of Rule 15c2-12 of the Securities and Exchange Commission, subject to completion as permitted by said Rule, and the Common Council further authorizes the distribution of the deemed final official statement, and the execution, delivery and distribution of such document as further modified and amended in the form of a final official statement.

SECTION 22. Provisions Regarding Bond Insurance. The provisions of this Section shall apply with respect to any 1993 Bonds owned or insured by the Bond Insurer (as defined below) except to the extent waived in writing by the Bond Insurer.

(a) Definitions. The terms:

"Bond Insurer" shall mean Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

"Bond Insurance Policy" shall mean the municipal bond new issue insurance policy issued by the Bond Insurer that guarantees

payment of principal of and interest on the 1993 Bonds.

(b) Consent of Bond Insurer to Amendments Required. Any amendment or supplement to this Ordinance shall be subject to the prior written consent of the Bond Insurer. Any rating agency rating the 1993 Bonds must receive notice of each amendment or supplement and a copy thereof at least fifteen (15) days in advance of its execution or adoption.

(c) Notices. The City shall furnish to the Bond Insurer:

(1) Within 120 days after the end of the City's fiscal year, budget for the new year; latest annual audited financial statements; a statement of the amount on deposit in the Reserve Account as of the last valuation (as described in (d) below); if not presented in the audited financial statements, a statement of the net revenues pledged to payment of 1993 Bonds in such fiscal year; the number of system users as of the end of the fiscal year; notification of the withdrawal of any system user comprising 4% or more of system sales measured in terms of revenue dollars since the last reporting date; and any significant plant retirements or expansions planned or undertaken since the last reporting date;

(2) Official statement or other disclosure, if any, prepared in connection with the issuance of additional bonds, whether or not issued on a parity with the 1993 Bonds, within 30 days after the sale thereof;

(3) Notice of any draw upon the Reserve Account, or any deficiency as of the latest valuation due to market fluctuation in the amount on deposit in the Reserve Account;

(4) Notice of the redemption of any of the 1993 Bonds, including the principal amount, maturities and CUSIP numbers thereof; and

(5) Such additional information as the Bond Insurer may reasonably request from time to time.

(d) Valuation of Reserve Account and Depreciation Fund; Permitted Investments.

(1) Within ninety (90) days after the end of each fiscal year, amounts held in the Reserve Account shall be valued at the lesser of cost or the market value thereof. If the market valuation is less than ninety percent (90%) of the Reserve Requirement, the deficiency shall be restored within twelve (12) months from the date of the valuation (i) in twelve (12) substantially equal monthly deposits from the next available net revenues after required deposits to the Debt Service Account, and/or (ii) from revaluation of investments at the market value thereof, exclusive of accrued interest.

The value of such investments shall be determined as follows:

(A) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such

investments so published on or most recently prior to the time of determination;

(B) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at the time of determination for such investments by any two nationally recognized government securities dealers (selected by the Paying Agent in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(C) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(D) as to any investment not specified above: the value thereof established by prior agreement between the City and the Bond Insurer.

(2) Notwithstanding anything in Section 11 to the contrary, the balance in the Depreciation Fund shall be at least equal to $1,000,000 within three (3) years from the date of issuance of the 1993 Bonds. Thereafter, in the event moneys are withdrawn from the Depreciation Fund leaving a balance therein of less than $1,000,000, valued at the lower of cost or the market value thereof, then such deficiency under $1,000,000 shall be restored within eighteen (18) months from

available net revenues after required deposits to the Sinking Fund. Furthermore, notwithstanding anything in Section 11 to the contrary, the balance in the Depreciation Fund shall be at least equal to $333,000 one (1) year after the date of issuance of the 1993 Bonds, and at least equal to $666,000 two (2) years after the date of issuance of the 1993 Bonds.

(3) All investments of the funds and accounts described in this Ordinance shall be limited to the following:

(A) direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations");

(B) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation ("FHLMCs"); debentures of the Federal Housing

Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association ("FNMAs"); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association ("GNMAs"); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financing of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation securities;

(C) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors

Service and "A" or better by Standard & Poor's Corporation, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Service and "A" or better by Standard & Poor's Corporation;

(D) commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's Investors Service and "A-1" or better by Standard & Poor's Corporation;

(E) Federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's and a "Short-Term CD" rating of "A-1" or better by S&P;

(F) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits or not less than $3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation;

(G) investments in money-market funds rated "AAAm" or "AAAM-G" by Standard & Poor's Corporation;

(H) repurchase agreements collateralized by Direct Obligations, GNMAs, FNMAs or FHLMCs with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or A3" or better by Moody's Investors Service, and "A-1" or "A-" or better by Standard & Poor's Corporation, provided:

a. a master repurchase agreement or specific written repurchase agreement governs the transaction; and

b. the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent

("Agent") for the Trustee, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than $50 million or (iii) a bank approved in writing for such purpose by Financial Guaranty Insurance Company, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee; and

c. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350 et seq. in such securities is created for the benefit of the Trustee; and

d. the repurchase agreement has a term of 180 days or less, and the Trustee or the Agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not

restored within two business days of such valuation; and

e. the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.

(e) Defeasance and Redemption Provisions. Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the 1993 Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the 1993 Bonds shall remain outstanding for all purposes (including for purposes of Section 15 hereof), not be defeased or otherwise satisfied and not be considered paid by the City, and the pledge of security for the 1993 Bonds herein and all covenants, agreements and other obligations of the City to the registered owners of 1993 Bonds shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners.

In the event of an advance refunding, the City shall cause to be delivered a verification report of an independent nationally recognized certified public accountant.

(f) Conditions to Issuance of Additional Bonds. Notwithstanding satisfaction of other conditions to the issuance of additional bonds contained in Section 16 of this Ordinance, no

such issuance may occur should any default hereunder have occurred and be continuing.

Additional parity bonds may be issued upon demonstration that net revenues, as certified by an independent firm of certified public accountants, equalled at least (i) 120% of maximum annual debt service on all outstanding bonds and proposed parity bonds and (ii) 100% of maximum annual debt service on all outstanding subordinate debt, in each case for a period of twelve (12) consecutive months during the eighteen (18) month period immediately preceding the proposed issuance date. For this purpose, net revenues may be adjusted to give effect to the following:

(1) Rates that went into effect prior to the issuance of the proposed bonds, as if they were in effect for the entire twelve (12) month test period;

(2) New customers which consist of existing residential, commercial and industrial dwellings that were connected to the works prior to the issuance of the proposed bonds, as if such customers had been connected to the works for the entire twelve (12) month test period;

(3) The acquisition of a surrounding system prior to the issuance of the proposed bonds or a system that will be acquired with the issuance of the proposed bonds; and

(4) Long-term wholesale contracts entered into prior to the issuance of the proposed bonds which have a service agreement that extends beyond the final maturity of the proposed bonds to be issued.

(g) Payment Procedure. As long as the Bond Insurance Policy shall be in full force and effect, the City and any Paying Agent agree to comply with the following provisions:

(i) If, on the third day preceding any interest payment date for the 1993 Bonds, there is not on deposit with the Registrar sufficient moneys available to pay all principal of and interest on the 1993 Bonds due on such date, the Registrar shall immediately notify the Bond Insurer and Citibank, N.A., New York, New York or its successor as its Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency. If, by said interest payment date, the City has not provided the amount of such deficiency, the Registrar shall simultaneously make available to the Bond Insurer and to the Fiscal Agent the registration books for the 1993 Bonds maintained by the Registrar. In addition:

(A) The Registrar shall provide the Bond Insurer with a list of the bondholders entitled to receive principal or interest payments from the Bond Insurer under the terms of the Bond Insurance Policy and shall make arrangements for the Bond Insurer and its Fiscal Agent (1) to mail checks or drafts to bondholders entitled to receive full or partial interest payments from the Bond Insurer and (2) to pay principal of the 1993 Bonds surrendered to the Fiscal Agent by the bondholders entitled to receive full or

partial principal payments from the Bond Insurer; and

(B) The Registrar shall, at the time it makes the registration books available to the Bond Insurer pursuant to (A) above, notify bondholders entitled to receive the payment of principal of or interest on the 1993 Bonds from the Bond Insurer (1) as to the fact of such entitlement, (2) that the Bond Insurer will remit to them all or part of the interest payments coming due subject to the terms of the Bond Insurance Policy, (3) that, except as provided in paragraph (ii) below, in the event that any bondholder is entitled to receive full payment of principal from the Bond Insurer, such bondholder must tender his 1993 Bond with the instrument of transfer in the form provided on such 1993 Bond executed in the name of the Bond Insurer, and (4) that, except as provided in paragraph (ii) below, in the event that such bondholder is entitled to receive partial payment of principal from the Bond Insurer, such bondholder must tender such 1993 Bond for payment first to the Registrar, which shall note on such 1993 Bond the portion of principal paid by the Registrar, and then, with an acceptable form of assignment executed in the name of the Bond Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal to the bondholder subject to the terms of the Bond Insurance Policy.

(ii) In the event that the Registrar has notice that any payment of principal of or interest on a 1993 Bond has been recovered from a bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Registrar shall, at the time it provides notice to the Bond Insurer, notify all bondholders that in the event that any bondholder's payment is so recovered, such bondholder will be entitled to payment from the Bond Insurer to the extent of such recovery, and the Registrar shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the 1993 Bonds which have been made by the Registrar and subsequently recovered from bondholders, and the dates on which such payments were made.

(iii) The Bond Insurer shall, to the extent it makes payment of principal of or interest on the 1993 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy and, to evidence such subrogation, (1) in the case of subrogation as to claims for past due interest, the Registrar shall note the Bond Insurer's rights as subrogee on the registration books maintained by the Registrar upon receipt from the Bond Insurer of proof of the payment of interest thereon to the bondholders of such 1993 Bonds and (2) in the case of subrogation as to claims for past due principal, the Registrar

shall note the Bond Insurer's rights as subrogee on the registration books for the 1993 Bonds maintained by the Registrar upon receipt of proof of the payment of principal thereof to the holders of such 1993 Bonds. Notwithstanding anything in this Ordinance or the 1993 Bonds to the contrary, the Registrar shall make payment of such past due interest and past due principal directly to the Bond Insurer to the extent that the Bond Insurer is a subrogee with respect thereto.

(h) Paying Agent Provisions. Notwithstanding any other provision of this Ordinance, no removal or resignation of the Paying Agent shall take effect until a successor has been appointed and has accepted the duties of Paying Agent. The Bond Insurer shall be furnished with written notice of the resignation or removal of the Paying Agent and the appointment of any successor thereto.

(i) Interested Parties. To the extent that this Ordinance confers upon or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this Ordinance, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Bond Insurer, the Registrar and Paying Agent and the registered owners of the 1993 Bonds,

any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereunder, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Bond Insurer, the Registrar and Paying Agent and the registered owners of the 1993 Bonds.

(j) Notices. The notice addresses for the Bond Insurer and the Fiscal Agent are as follows:

Financial Guaranty Insurance Company
115 Broadway
New York, New York 10006
Attention: Managing Counsel

Citibank, N.A.
20 Exchange Place - 16th Floor
New York, New York 10005
Attention: Municipal Trust and Agency Services Administration

SECTION 23. No Conflict. Except as described in Section 26 below, all ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 24. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 25. Holidays, Etc. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the City or the city in which the Registrar or Paying Agent is located are typically closed or on which the Fiscal Agent is authorized by law to remain closed, such payment may be made or act performed or right exercised on the next

succeeding day not a legal holiday or a day on which such banking institutions are typically closed or on which the Fiscal Agent is authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

SECTION 26. Effectiveness. This Ordinance shall be in full force and effect from and after its passage, provided, the provisions of the ordinance pursuant to which the Prior Bonds were issued shall remain in effect and shall supercede the provisions of this Ordinance in the event of any conflict with this Ordinance until such time as the 1993 Bonds are issued.

____
Councilmember

APPROVED AS TO FORM
AND LEGALITY
J. Timothy McCaulay
J. Timothy McCaulay
City Attorney

EXHIBIT A

Maturity Schedule

Year	Amount
1993	$ 1,075,000
1994	2,140,000
1995	2,155,000
1996	2,230,000
1997	2,305,000
1998	2,265,000
1999	2,450,000
2000	2,575,000
2001	2,690,000
2002	2,425,000
2003	1,305,000
2004	1,325,000
2005	1,265,000
2006	1,185,000

EXHIBIT B

ESCROW AGREEMENT
Dated as of ______________________, 1993
Between
NORWEST BANK FORT WAYNE, N.A.
and
CITY OF FORT WAYNE, INDIANA

THIS ESCROW AGREEMENT (the "Escrow Agreement") is made and entered into as of ______________________, 1993, by and between the CITY OF FORT WAYNE, INDIANA (the "City" or "Issuer"), and Norwest Bank Fort Wayne, N.A., a banking corporation organized under the laws of the United States (the "Escrow Agent").

RECITALS

WHEREAS, the City has outstanding certain Waterworks Revenue Bonds of 1967 (the "1967 Bonds") in the amount of One Million One Hundred Thousand Dollars ($1,100,000) maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the hereinafter described 1968 Bonds and the hereinafter described 1978 Bonds; and

WHEREAS, the City also has outstanding certain Waterworks Revenue Bonds of 1968 (the "1968 Bonds") in the amount of One Million Three Hundred Thousand Dollars ($1,300,000) maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the 1967 Bonds and the hereinafter described 1978 Bonds; and

WHEREAS, the City also has outstanding certain Waterworks Revenue Bonds of 1978 (the "1978 Bonds") in the amount of Eleven Million One Hundred Seventy-Five Thousand Dollars ($11,175,000) maturing annually over a period ending January 1, 2003 and first callable prior to maturity on July 1, 1993, which bonds constitute a first charge upon a portion of the gross revenues of the

waterworks and are on a parity with the 1967 Bonds and the 1968 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Refunding Bonds of 1982 (the "1982 Bonds") in the amount of One Million Ninety Thousand Dollars ($1,090,000) maturing annually over a period ending January 1, 2002, which bonds constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the hereinafter described 1986 Bonds and the hereinafter described 1990 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Revenue Bonds of 1986 (the "1986 Bonds") in the amount of Three Million Four Hundred Sixty-Five Thousand Dollars ($3,465,000) maturing annually over a period ending January 1, 2007 and first callable prior to maturity on January 1, 1997, which bonds constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the 1982 Bonds and the hereinafter described 1990 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Revenue Bonds of 1990 (the "1990 Bonds") in the amount of Six Million Eight Hundred Ten Thousand Dollars ($6,810,000), maturing annually over a period ending January 1, 2007 and first callable prior to maturity on January 1, 1998, which bonds constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the 1982 Bonds and the 1986 Bonds (the 1967 Bonds, 1968 Bonds, 1978 Bonds, 1982 Bonds, 1986 Bonds and 1990 Bonds are collectively referred to as the "Prior Bonds"); and

WHEREAS, concurrently with the execution of this Escrow Agreement, the Issuer has executed, issued and delivered refunding bonds, designated as "City of Fort Wayne Waterworks Refunding Revenue Bonds of 1993", in the aggregate principal amount of $____________ (the "Refunding Bonds"), the proceeds of which will be used to defease and advance refund the Prior Bonds and pay costs of issuance of the Refunding Bonds and incidental expenses.

NOW, THEREFORE, in consideration of the premises, the covenants and agreements hereinafter contained, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed by and among the parties hereto as follows:

Section 1. There is hereby established and created with the Escrow Agent the following irrevocable trust account (the "Escrow Account") for the benefit of the holders and registered owners of the Prior Bonds designated:

"City of Fort Wayne Waterworks Refunding Revenue Bond Escrow Account of 1993".

Section 2. The Issuer hereby deposits with the Escrow Agent, and the Escrow Agent hereby acknowledges receipt of, the sum of $_________________ in immediately available funds and obligations funded from proceeds from the sale of the Refunding Bonds and certain moneys held in connection with the Prior Bonds. The Escrow Agent shall deposit such funds in the Escrow Account and hold in the Escrow Account such obligations, as described on Schedule I attached hereto (the "Governmental Obligations"). The uninvested funds shall be maintained as a cash balance. The maturing principal of the Governmental Obligations, together with interest thereon, will be sufficient to pay the amounts required by Section 3 hereof. The Escrow Agent hereby accepts the funds so

deposited and the Governmental Obligations and the duties and trusts imposed hereby.

Section 3. The Escrow Agent agrees to use the moneys available in the Escrow Account solely to pay (i) the principal of and interest on the 1967 Bonds, 1968 Bonds and 1982 Bonds as the same becomes due, (ii) the principal of and interest on the 1978 Bonds, 1986 Bonds and 1990 Bonds which is due and payable prior to the respective dates on which such Prior Bonds are first callable prior to maturity, as the same becomes due, and (iii) the outstanding principal of and accrued interest and premium on the 1978 Bonds, 1986 Bonds and 1990 Bonds which mature on and after the respective dates on which such Prior Bonds are first callable prior to maturity and which shall be paid and redeemed in full prior to maturity on the respective dates on which such Prior Bonds are first callable prior to maturity.

The Escrow Agent agrees that it will cause notice of redemption of the Prior Bonds to be redeemed prior to maturity to be given.

The Escrow Agent hereby acknowledges receipt from the Issuer of irrevocable instructions to call said Prior Bonds for redemption and of the forms of redemption notice and instructions for the giving of such notice as set forth on Schedule II attached hereto.

Section 4. The Escrow Agent is hereby authorized and directed to issue its checks on the Escrow Account for the payment of the principal of and interest and premium on the Prior Bonds. The Escrow Agent shall keep and maintain adequate records pertaining to the Escrow Account, and shall furnish a statement with respect thereto to the Issuer not later than April 1 of each year throughout the term of this Escrow Agreement.

Section 5. The Escrow Agent hereby waives any right of set-off, counterclaim, reduction, or diminution

of an obligation, or any defense of any kind or nature which the Escrow Agent has or may have against the Issuer or the holders of the Prior Bonds insofar as such set-off, counterclaim, reduction, diminution or defense would have an adverse effect on the availability of funds sufficient to comply with the obligations of the parties contained herein.

<u>Section 6</u>. The parties hereto recognize that the holders from time to time of the Prior Bonds have a beneficial and vested interest in the Governmental Obligations. It is therefore recited, understood and agreed that this Escrow Agreement shall not be subject to revocation until its provisions have been fully carried out and may be amended only with the consent of all such holders. Funds in the Escrow Account shall be held in trust and used only for the purposes described herein. Any amounts remaining in the Escrow Account after payment in full of the Prior Bonds shall be returned to the Issuer.

<u>Section 7</u>. The Escrow Agent shall have no duty to invest any monies held hereunder except as set forth in Section 2 hereof. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

<u>Section 8</u>. None of the provisions contained in this Escrow Agreement shall require the Escrow Agent to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Escrow Agent shall be under no liability for interest on any funds or other property received by it hereunder, except as herein expressly provided. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or

nonperformance by the Issuer of any of its obligations or to protect any of the Issuer's rights under any bond proceeding or any other contracts with or franchises or privileges from any state, county, municipality or other governmental agency or with any person. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein, in the Prior Bonds, or in any proceedings taken in connection therewith. To the extent permitted by law, the Issuer shall defend, indemnify and hold the Escrow Agent and the holders of the Prior Bonds harmless from all claims, demands and actions resulting from or arising out of any alleged deficiency in the Escrow Account which is not caused by acts of the Escrow Agent. This indemnity shall survive the termination of this Escrow Agreement.

Section 9. The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trusts hereby created by giving not less than 60 days' written notice to the Issuer, but no resignation shall take effect unless a successor Escrow Agent shall have been appointed by the Issuer as hereinafter provided and the successor Escrow Agent shall have accepted such appointment, in which such event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent, by the Issuer.

In the event the Escrow Agent hereunder shall resign, be removed, be dissolved or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Issuer, an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Agent without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the Issuer, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses, if any, of the retiring or removed Escrow Agent shall be paid in full.

Should any transfer, assignment or instrument in writing from the Issuer be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

Any corporation into which the Escrow Agent or any successor to it in the trusts created by this Escrow Agreement may be merged into or consolidated with, and any corporation which otherwise succeeds to the Escrow Agent or its successors, shall, if satisfactory to the Issuer and a qualified depository for the Issuer, be the successor Escrow Agent under this Escrow Agreement without the execution or filing of any paper or any other

act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

<u>Section 10</u>. The Escrow Agent shall be entitled to payment and/or reimbursement by the Issuer for reasonable fees for its services rendered hereunder and all advances, counsel fees and other ordinary expenses reasonably and necessarily made or incurred by the Escrow Agent in connection with such services, provided, however, the Issuer and Escrow Agent agree not to use amounts in the Escrow Account for such purposes.

<u>Section 11</u>. This Escrow Agreement shall terminate upon payment of the principal of and interest and premium on the Prior Bonds.

<u>Section 12</u>. If any one or more of the covenants or agreements provided in this Escrow Agreement to be performed on the part of the Issuer or the Escrow Agent should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

<u>Section 13</u>. All the covenants, promises and agreements in this Escrow Agreement contained by or on behalf of the Issuer or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

<u>Section 14</u>. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

<u>Section 15</u>. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

Section 16. Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed, by registered or certified mail, postage prepaid or sent by telegram as follows:

if to the Issuer at City of Fort Wayne
(Attn: Controller)
One Main Street
Fort Wayne, Indiana 46802; and

if to the Escrow Agent at ____________________
____
____

The Issuer and the Escrow Agent may designate any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent.

Section 17. The Issuer and the Escrow Agent covenant that any monies attributable to the proceeds of the Prior Bonds, if any, any moneys attributable to the proceeds of the Refunding Bonds, amounts received from the investment of the proceeds of the Refunding Bonds and any other amounts treated as proceeds thereof under the provisions of the Internal Revenue Code of 1986, as amended, (the "Code") or any of the regulations and rules adopted pursuant thereto, shall not be invested or otherwise used in a manner which would cause the Prior Bonds or the Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and such regulations or rules as may be applicable thereto.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed for and on their behalf as of the day and year first herein above written.

CITY OF FORT WAYNE, INDIANA

____

ATTEST: Mayor

____
City Clerk

NORWEST BANK FORT WAYNE, N.A.

By: ______________________

ATTEST: Its: ____________________

____

Schedule I

List of Governmental Obligations

Principal Amount	Interest Rate	Description	Maturity
$			

Schedule II

Notice Form

Read the first time in full and on motion by Edmonds, seconded by Henry, and duly adopted, read the second time by title and referred to the Committee on City Utilities (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Common Council Conference Room 128, City-County Building, Fort Wayne, Indiana, on Tuesday, the 18th, day of May, 1993, at 5:30 o'clock P M., E.S.T.

DATED: 5-18-93

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Henry, seconded by Schmidt, and duly adopted, placed on its passage. PASSED LOST by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	7			2
BRADBURY				✓
EDMONDS	✓			
GiaQUINTA	✓			
HENRY	✓			
LONG	✓			
LUNSEY				✓
RAVINE	✓			
SCHMIDT	✓			
TALARICO	✓			

DATED: 5-18-93

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL) (SPECIAL) (ZONING) ORDINANCE RESOLUTION NO. S-41-93 on the 18th day of May, 1993.

ATTEST: (SEAL)

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Mark GiaQuinta
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 18th day of May, 1993, at the hour of 7:00 o'clock P.M., E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 18th day of May, 1993, at the hour of 7:20 o'clock P M., E.S.T.

P. Helmke
PAUL HELMKE, MAYOR

REFUNDING ISSUE
BOOK ENTRY ONLY

RATINGS: Fitch "AAA"
Moody's "Aaa"
Standard & Poor's "AAA"
FGIC Insured

PRELIMINARY OFFICIAL STATEMENT DATED MAY 18, 1993

In the opinion of Barnes & Thornburg, Bond Counsel, under existing statutes, regulations, published rulings and court decisions, the interest on the Refunding Bonds is excludable from gross income for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended. Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Barnes & Thornburg, Bond Counsel, interest on the Refunding Bonds is exempt from income taxation in the State of Indiana for all purposes except the Indiana financial institutions tax. See "TAX MATTERS" herein.

$6,150,000*

SEWAGE WORKS JUNIOR REFUNDING REVENUE BONDS OF 1993

City of Fort Wayne, Indiana

Dated: June 1, 1993 — Due: August 1, as shown below

The City of Fort Wayne, in Allen County, Indiana (the "City") is issuing $6,150,000* Sewage Works Junior Refunding Revenue Bonds of 1993 (the "Refunding Bonds") for the sole purpose of refunding all of the City's outstanding $5,215,000 Sewage Works Junior Revenue Bonds of 1986 (the "Refunded Bonds"). The proceeds from the Refunding Bonds will be applied to the cost of refunding the Refunded Bonds in accordance with the escrow agreement between the City and Norwest Bank Fort Wayne, N.A., Fort Wayne, Indiana as escrow trustee dated the date of delivery of the Refunding Bonds (the "Escrow Agreement") and to pay expenses incurred in connection with the issuance of the Refunding Bonds. The Refunding Bonds are being issued pursuant to Ordinance No. S-42-93 adopted by the Common Council of the City on May 18, 1993. Interest on the Refunding Bonds shall be payable semi-annually on February 1 and August 1 of each year, commencing February 1, 1994. Principal of the Refunding Bonds is payable as set forth below at the principal corporate trust office of Norwest Bank Fort Wayne, N.A., Fort Wayne, Indiana as registrar and paying agent (the "Registrar" or "Paying Agent"). The Refunding Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Refunding Bonds will be made in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Refunding Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Refunding Bonds. So long as DTC or its nominee is the registered owner of the Refunding Bonds, principal of and interest on the Refunding Bonds will be paid directly to DTC by the Paying Agent. The final disbursement of such payments to the Beneficial Owners of the Refunding Bonds will be the responsibility of the DTC Participants and Indirect Participants, all as defined and more fully described herein. (See "DESCRIPTION OF THE REFUNDING BONDS" herein.)

The Refunding Bonds are subject to optional redemption prior to maturity as more fully described in this Official Statement. (See "REDEMPTION PROVISIONS" herein.)

THE PRINCIPAL OF AND INTEREST ON THE REFUNDING BONDS ARE PAYABLE SOLELY FROM THE NET REVENUES (AS DEFINED HEREIN) DERIVED FROM THE SEWAGE WORKS OF THE CITY. THE CITY SHALL NOT BE OBLIGATED TO FUND PRINCIPAL OR INTEREST PAYMENTS ON THE REFUNDING BONDS EXCEPT FROM THE SPECIAL FUND PROVIDED BY NET REVENUES (AS DEFINED HEREIN). THE REFUNDING BONDS DO NOT CONSTITUTE A GENERAL OR CORPORATE OBLIGATION OF THE CITY WITHIN THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA. (SEE "SOURCES OF PAYMENT AND SECURITY FOR THE REFUNDING BONDS", "RISKS TO THE OWNERS OF THE REFUNDING BONDS" AND "RIGHTS AND REMEDIES OF REVENUE BONDHOLDERS".)

Payment of principal of and interest on the Refunding Bonds when due for payment which is unpaid by reason of nonpayment will be guaranteed by a municipal bond insurance policy to be issued simultaneously with the delivery of the Refunding Bonds by Financial Guaranty Insurance Company.

FGIC. Financial Guaranty Insurance Company

Service mark used by Financial Guaranty Insurance Company, a private company not affiliated with any U.S. government agency.

MATURITY SCHEDULE

Maturity (August 1)	Principal Amount*	Coupon Rate	Price or Yield	Maturity (August 1)	Principal Amount*	Coupon Rate	Price or Yield
1994	675,000	%	%	2003	$330,000	%	%
1995	215,000			2004	350,000		
1996	220,000			2005	375,000		
1997	235,000			2006	400,000		
1998	245,000			2007	425,000		
1999	260,000			2008	450,000		
2000	280,000			2009	485,000		
2001	290,000			2010	605,000		
2002	310,000						

The Refunding Bonds are being offered by the Underwriters when, as and if issued by the City and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Barnes & Thornburg, Fort Wayne, Indiana, Bond Counsel. Certain legal matters will be passed on for the City by the City Attorney and for the Underwriters by their counsel, Beers Mallers Backs & Salin. Closing for the Refunding Bonds is expected to take place on or about June 29, 1993.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

FIRST CHICAGO CAPITAL MARKETS, INC. — SUMMERS & COMPANY, INC

* Estimated, subject to change

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively the "Preliminary Official Statement"), may be treated as a Preliminary Official Statement with respect to the Refunding Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the City.

The Preliminary Official Statement, when further supplemented with maturity dates, principal amounts and interest rates of the Refunding Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Refunding Bonds, as that term is defined in Rule 15c2-12.

No dealer, broker, salesman or other person has been authorized by the Underwriters to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Refunding Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City of Fort Wayne, Indiana and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and it is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City of Fort Wayne since the date hereof.

In connection with this offering, the Underwriters may overallot or effect transactions that stabilize or maintain the market price of the Refunding Bonds and other securities of the City at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

THE REFUNDING BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

CITY OF FORT WAYNE, INDIANA

MAYOR
Paul Helmke

BOARD OF PUBLIC WORKS
Charles E. Layton
Chairman

Katherine A. Carrier, CPA
C. James Owen, Ph.D

COMMON COUNCIL
Mark E. GiaQuinta
President

Janet G. Bradbury
Cletus R. Edmonds
Thomas C. Henry
David C. Long

Archie L. Lunsey
Rebecca Ravine
Donald J. Schmidt
Samuel Talarico

CITY CLERK
Sandra E. Kennedy

CITY CONTROLLER
Douglas M. Lehman, CFA

CITY ATTORNEY
J. Timothy McCaulay
Ft. Wayne, Indiana

BOND COUNSEL
Barnes & Thornburg
Fort Wayne, Indiana

FINANCIAL CONSULTANT
Municipal Consultants
Indianapolis, Indiana

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CITY OF FORT WAYNE

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SUMMARY STATEMENT

City of Fort Wayne, Indiana
Sewage Works Junior Refunding Revenue Bonds of 1993

(This Summary Statement contains certain information which has been summarized for quick reference only and does not purport to represent the significant matters contained in documents exhibited elsewhere herein. Prospective investors should read the complete Official Statement including all Appendices herein.)

Issuer	City of Fort Wayne, Indiana
Securities Offered	$6,150,000* Sewage Works Junior Refunding Revenue Bonds of 1993 (the "Refunding Bonds") to rank junior to the Sewage Works Revenue Refunding Bonds of 1985. The Sewage Works Revenue Refunding Bonds of 1985 are junior to certain issues which were economically defeased by that issue as more fully described herein.
Bonds Presently Outstanding	Sewage Works Revenue Refunding Bonds of 1985 (with an accreted value of capital appreciation bonds at August 1, 1993 of $20,205,029); $5,215,000 Sewage Works Junior Revenue Bonds of 1986 (the "Refunded Bonds") being refunded by the Refunding Bonds.
Security	Secured by and payable from the Net Revenues of the City's Sewage Works (defined as gross revenues after deduction for payment of reasonable expenses of operation, repair and maintenance).
Ratings and Bond Insurance	Financial Guaranty Insurance Company has given a commitment to issue a Municipal Bond New Issue Insurance Policy relating to the Refunding Bonds. By virtue of such insurance the Refunding Bonds will bear the current ratings of "AAA" by Fitch Investors Service, "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's Corporation.
Interest Payment Dates	February 1 and August 1, commencing February 1, 1994.
Maturity	Serial Bonds - August 1, 1994 and annually thereafter to August 1, 2010, inclusive.
Redemption	The Refunding Bonds maturing on and after August 1, 2003 are redeemable at the option of the City on August 1, 2002, or any date thereafter, on thirty days' notice, in whole or in part, in any order of maturities to be selected by the City and by lot within a maturity, at 100% of face value without premium, plus accrued interest to the date fixed for redemption.

Bank Eligibility	The Refunding Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Other Terms and Conditions	The Refunding Bonds are issuable only as fully registered bonds and when issued will be registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York. Purchases of beneficial interests in the Refunding Bonds will be made in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof.
Use of Proceeds	To provide funds for the refunding of all of the City's outstanding $5,215,000 Sewage Works Junior Revenue Bonds of 1986 and to pay costs incurred in connection with the issuance of the Refunding Bonds.
Business and Service Area	The City owns and operates the Sewage Works which serves about 65,059 residential, 5,087 commercial and 357 industrial customers along with 523 institutional and 198 governmental customers. The City also owns and operates the local municipal Waterworks.
Sewer Rates	The Common Council of the City promulgates sewer rates. Rates are subject to public hearing and certain statutory tests for reasonableness. Rates now in effect have heretofore been approved as to structure and sufficiency by the U.S. Environmental Protection Agency.

Financial Information and Capitalization
Fort Wayne Sewage Works

Financial Information:

Net Revenues Available for Debt Service (actual 12-31-92)	$ 4,495,884
Estimated Debt Service Requirement (1994)	$ 3,590,317

(Historical coverage shown on page 24.)

OFFICIAL STATEMENT

CITY OF FORT WAYNE, INDIANA
Relating to the Issuance of $6,150,000*
Sewage Works Junior Refunding Revenue Bonds of 1993

INTRODUCTORY STATEMENT

The purpose of this Official Statement, including the cover page and Appendices, is to provide information relating to the Sewage Works Junior Refunding Revenue Bonds of 1993 (the "Refunding Bonds") to be issued by the City of Fort Wayne, Indiana (the "City").

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information concerning the City and its sewer utility (the "Sewage Works"), including financial statements, rate schedules and tax tables, is intended to show recent historic information and is not intended to indicate or project future or continuing trends in the financial position or other affairs of the City or the Sewage Works. No representation is made or implied hereby that any past experience, as might be shown by the financial and other information, will necessarily continue in the future. References to provisions of Indiana law or of the Indiana Constitution are references to current provisions which may be amended, repealed or supplemented.

PURPOSE OF THE BOND ISSUE

The Refunding Bonds are being issued pursuant to Indiana Code Sections 36-9-23 and 5-1-5 (collectively, the "Act") and pursuant to Ordinance No. S-42-93 adopted by the Common Council of the City on May 18, 1993 (the "Ordinance"). The City is authorized under the Act to issue revenue bonds for the sole purpose of refunding all of the City's outstanding $5,215,000 Sewage Works Junior Revenue Bonds of 1986 (the "Refunded Bonds"). The results of the bond sale will be reported to and confirmed by the Common Council of the City at their meeting on June 8, 1993.

ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds	
Principal Amount of the Refunding Bonds	$ 6,150,000*
Accrued Interest	23,688*
Total Sources of Funds	$ 6,173,688
Uses of Funds	
Securities Purchased for Escrow	$ 5,972,744*
Costs of Issuance	70,650*
Accrued Interest	23,688*
Bond Insurance	47,124*
Underwriting Fees	55,350*
Contingency	4,132*
Total Uses of Funds	$ 6,173,688

* Estimated, subject to change

DESCRIPTION OF THE REFUNDING BONDS

The Refunding Bonds are issuable only as fully registered bonds and when issued will be registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York (the "DTC"). Purchases of beneficial interests in the Refunding Bonds will be made in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Refunding Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Refunding Bonds.

Interest on the Refunding Bonds shall be payable semi-annually on February 1 and August 1 in each year beginning on February 1, 1994. The principal of the Refunding Bonds is payable at the principal corporate trust office of the Norwest Bank Fort Wayne, N.A., as Registrar and Paying Agent, (the "Registrar" or "Paying Agent"), in the City of Fort Wayne, Indiana. Interest on the Refunding Bonds will be paid by check, mailed one business day prior to the interest payment date to the registered owners of the Refunding Bonds as the names appear as of the fifteenth day of the month preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar; provided, however, so long as DTC or its nominee is the registered owner of the Refunding Bonds, principal of and interest on the Refunding Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Refunding Bonds will be the responsibility of the DTC Participants and Indirect Participants, all as defined and more fully described herein.)

Book-Entry-Only System

DTC will act as securities depository for the Refunding Bonds. The ownership of one fully registered Refunding Bond for each maturity as set forth on the cover hereof, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the "DTC Participants") and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need of physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (or their representatives or, both) own DTC. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the "Indirect Participants").

The DTC Participants shall receive a credit balance in the records of DTC. The ownership interest of each actual purchaser of each Refunding Bond (the "Beneficial Owner") will be recorded through the records of the DTC Participant. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of the Refunding Bond acquired from the appropriate DTC Participants or Indirect Participant. Transfers of ownership interests in the Refunding Bonds will be accomplished by book entries made by DTC and, in turn, by the DTC Participants who act on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Refunding Bonds.

So long as Cede & Co. is the registered owner of the Refunding Bonds, as nominee of DTC, references herein to the Refunding Bond owners or registered owners of the Refunding Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Refunding Bonds.

DTC may determine to discontinue providing its service with respect to the Refunding Bonds at any time by giving notice to the City or its agent and discharging its responsibilities with respect thereto under applicable law. The City may determine that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interest of the Beneficial Owners. In either such event, ownership of each Refunding Bond will be transferred to such person or persons, including any other clearing agency, as the holder of such Refunding Bond may direct. See "Revision of Book-Entry-Only System."

The City and the Paying Agent and Registrar will recognize DTC or its nominee as the bondholder for all purposes, including without limitation, the receiving of payment of the principal of and interest on any Refunding Bonds, the receiving of notice and the giving of consent. Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time. DTC has no knowledge of the actual Beneficial Owners of the Refunding Bonds. The City will not have any responsibility or obligation to any DTC Participant or Indirect Participant, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Refunding Bonds, including, without limitation, any responsibility or obligation to maintain accurate records of any interest in any Refunding Bonds or any responsibility or obligation with respect to the receiving of payment of principal of or interest on any Refunding Bonds, the receiving of notice or the giving of consent.

Principal and interest payments on the Refunding Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the Refunding Bonds. DTC's current practice is to credit the accounts of the DTC Participants on a payable date in accordance with their respective holdings shown on the records of DTC unless DTC has reason to believe that it will not receive payment on a payable date. Payments by DTC Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such DTC Participant or Indirect Participant and not of DTC, or the City, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium and interest to DTC is the responsibility of the City or the Paying Agent and disbursement of such payments to DTC Participants shall be the responsibility of DTC Participants and Indirect Participants.

Certain of the information under "Book-Entry-Only System" has been extracted from a report from DTC entitled "Book-Entry-Only Municipals". No representation is made by the City or the Underwriters as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date thereof.

<u>Revision of Book-Entry-Only System</u>.

In the event that either (1) the City receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Refunding Bonds or (2)

the City elects to discontinue its use of DTC as a clearing agency for the Refunding Bonds, then the City will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Refunding Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Refunding Bonds and to transfer the ownership of each of the Refunding Bonds to such person or persons, including any other clearing agency, as the holder of such Refunding Bonds may direct. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Refunding Bonds will be paid by the City.

REDEMPTION PROVISIONS

The Refunding Bonds maturing on and after August 1, 2003 are redeemable at the option of the City, in whole or in part, on August 1, 2002, or any date thereafter, on thirty days' notice, in any order of maturities to be selected by the City and by lot within a maturity, at 100% of face value, but without premium, plus accrued interest to the date fixed for redemption.

Notice of such redemption shall be mailed by first-class mail or by registered or certified mail to the address of each registered owner as shown on the registration record of the City kept by the Registrar not more than 60 days and not less than 30 days prior to the date fixed for redemption. Although DTC's rules and procedures require DTC to act in the foregoing manner, the City can make no assurances that DTC, the DTC Participants, or the Indirect Participants or other nominees of the bondholders will distribute such notices to bondholders or that they will do so on a timely basis or that they will act in the manner described in the Official Statement. Failure to give proper notice of redemption, or any defect therein, with respect to any Refunding Bond shall not affect the validity of any proceedings for the redemption of any other Refunding Bond.

Interest on the Refunding Bonds called for redemption shall cease on the redemption date if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and, thereafter, such Refunding Bonds shall no longer be protected by the Ordinance and shall not be deemed to be outstanding under the Ordinance and such holders of Refunding Bonds shall have the right only to receive the redemption price.

SOURCES OF PAYMENT AND SECURITY FOR THE REFUNDING BONDS

The Refunding Bonds are special revenue obligations of the City. The Net Revenues (defined in the Ordinance as gross revenues remaining after the payment of reasonable expenses of operation, repair and maintenance of the Sewage Works) constitute the source of payment of the Refunding Bonds. The City shall not be obligated to pay the Refunding Bonds nor the interest thereon except from said Net Revenues of the Sewage Works and the Refunding Bonds will not constitute an indebtedness of the City within the meaning of the provisions and the limitations of the Constitution of the State of Indiana.

The Refunding Bonds are to rank junior to the Sewage Works Revenue Refunding Bonds of 1985 (the "1985 Bonds") (with an accreted value of capital appreciation bonds at August 1, 1993 of $20,205,029). The 1985 Bonds economically defeased six prior bond issues of the Sewage Works by placing into an irrevocable escrow trust certain U.S. Treasury Obligations - State and Local Government Series (SLGS). Principal and interest on those prior bonds is being paid as it

comes due, however, in the event such escrow trust would be insufficient to make such principal and interest payments, the prior bonds have a superior lien on the net revenues of the Sewage Works. Remaining principal as of August 1, 1993 of the prior issues is as follows:

Sewage Works Improvement Revenue Bonds of 1959	$ -0-
Sewage Works Improvement Revenue Bonds of 1961 (1)	135,000
Sewage Works Improvement Revenue Bonds of 1970 (2)	670,000
Sewage Works Improvement Revenue Bonds of 1975 (3)	3,315,000
Sewage Works Revenue Bonds of 1982 (4)	3,400,000
Sewer Construction Revenue Bonds of 1982 (4)	3,205,000
Total	$ 10,725,000

(1) Final maturity August 1, 1993
(2) Final maturity August 1, 1995
(3) Final maturity August 1, 1997
(4) Final maturity August 1, 2000

THE REFUNDING PLAN

The sale and delivery of the Refunding Bonds will be consummated in accordance with the Purchase Agreement dated _______________, 1993 (the "Purchase Contract") between the City and First Chicago Capital Markets, Inc. and Summers & Company, Inc. (the "Underwriters"). The Refunded Bonds will be completely advance refunded pursuant to the Escrow Agreement between the City of Fort Wayne and Norwest Bank Fort Wayne, N.A., Fort Wayne, Indiana (the "Escrow Trustee") dated the date of delivery of the Refunding Bonds (the "Escrow Agreement"). Concurrently with the delivery of the proceeds of the Refunding Bonds, the City shall acquire with said proceeds and with certain funds on hand direct obligations of the United States of America (the "Government Obligations") as set forth in the Escrow Agreement. The City shall deposit said Government Obligations, together with cash, with the Escrow Trustee in an amount sufficient to provide funds for payment of all principal of, premium, if any, and interest on the Refunded Bonds from and after the date of delivery of the Refunding Bonds to July 1, 1996, the first available call date for the Refunded Bonds. Expenses of issuance of the Refunding Bonds shall be paid from the remaining proceeds of the Refunding Bonds. In the event any funds are remaining after all such foregoing payments have been made, the City Controller shall then transfer such remaining funds to the Sewage Works Sinking Fund held under the Ordinance. The City covenants that it will not use or invest the proceeds of the Refunding Bonds in any manner, or take or fail to take any other action which would fail to preserve the exclusion of interest on the Refunding Bonds from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, all as more specifically described in the Ordinance under "Tax Covenants". See "APPENDIX B" herein.

VERIFICATION

The arithmetical accuracy of certain computations relating to (a) the adequacy of the principal amounts of and interest to be earned on the Government Obligations together with other funds placed in escrow with the Escrow Trustee pursuant to the Escrow Agreement to pay the principal of and interest and redemption premiums on the Refunded Bonds from the

date of delivery of the Refunding Bonds to the date of redemption of the Refunded Bonds and (b) the yield on the Refunding Bonds and the Government Obligations placed in escrow with the Escrow Trustee will be examined and verified by Crowe Chizek, independent certified public accountants, Indianapolis, Indiana. Such computations will be based on assumptions and information supplied by the Underwriters.

RISKS TO THE OWNERS OF THE REFUNDING BONDS

There are certain risks involved in the ownership of the Refunding Bonds which should be considered by prospective investors. The following list of risk factors is not intended to include all such possible factors. Other risks that have not been referred to hereafter may also be present for certain investors.

1. The Refunding Bonds are payable solely from the Net Revenues of the City's Sewage Works. If such Net Revenues are insufficient to pay the principal of or the interest on the Refunding Bonds, the City is not obligated to pay the principal of or the interest on the Refunding Bonds from any other revenues, funds or taxes.

2. Adverse economic conditions in the City, Allen County, State of Indiana or the United States could result in substantial reductions in the Net Revenues of the City's Sewage Works. Such adverse economic conditions could include a general economic downturn, strikes, layoffs or plant closings in the City or County.

3. Federal and state legislatures and/or certain of its administrative agencies with jurisdiction in environmental matters could enact new laws or regulations which could cause substantial increases in the cost of operations in the City's Sewage Works which in certain instances could not be recovered from users of the Sewage Works. In such event, the Net Revenues could be substantially reduced and may be insufficient to pay the principal of or the interest on the Refunding Bonds.

4. The City made certain tax covenants under the Ordinance to use its best efforts to comply with all actions required to assure the continuing exclusion of interest on the Refunding Bonds from gross income for federal income tax purposes. Failure by the City to comply with such tax covenants could cause the interest on the Refunding Bonds to be taxable retroactive to the date of issuance. See "TAX MATTERS" herein.

5. While the City has a commitment to receive a non-cancellable municipal bond new issue insurance policy from Financial Guaranty Insurance Company (see "BOND INSURANCE" and "RATINGS" herein) to assure the payment of principal of and interest when due on the Refunding Bonds, the City can provide no guarantees that the issuer of the insurance policy will remain solvent and be able to pay debt service on the Refunding Bonds, if necessary, throughout the term of the Refunding Bonds. Further economic conditions may have an adverse impact upon an insurer and, therefore, upon the rating, market price or marketability of the Refunding Bonds.

RATES AND REGULATION

Rates charged for water service in the City are fixed by the Common Council pursuant to a Resolution of the Board of Public Works requesting the adoption of a rate ordinance after duly advertised public notice and hearing. The rate covenant of the Ordinance requires the City to

maintain rates which adequately provide for all of the financial requirements necessary to operate the Sewage Works and to make all required payments to the Sewage Works Sinking Fund. Further, the City has covenanted to maintain rates which provide debt service coverage of at least 110%. See "APPENDIX B" herein.

The schedule of rates and charges being collected by the City's Sewage Works was duly adopted by the Common Council in 1992.

DISPOSITION OF NET REVENUES

The disposition of revenues, and the funds and accounts related thereto, is controlled by an ordinance which previously authorized the issuance of revenue bonds of the Sewage Works. The City is issuing the Refunding Bonds for the purpose of effecting a debt service savings.

All revenues derived from the operation of the Sewage Works are required to be deposited in a fund from which all proper and reasonable expenses of operation, repair and maintenance of the Sewage Works shall be paid. Remaining monies are defined as "Net Revenues".

Net Revenues will be applied monthly to the Sinking Fund in an amount equal to at least 1/12 of the amount required for payment of all principal and interest as it falls due together with a 10% margin of safety during the next succeeding 12 calendar months until an amount equal to the next twelve months payments is accumulated in the Sinking Fund. From the Sinking Fund will be paid all debt service and related fiscal agency costs of the Refunding Bonds and any additional bonds payable from the Net Revenues.

Within the Sinking Fund is established a Sewage Works Reserve Account (the "Reserve Account") for the Refunding Bonds and any subsequently issued parity bonds, to be funded at the time of issuance of the Refunding Bonds to an amount equal to the least of (a) maximum annual debt service on the Refunding Bonds, (b) one hundred twenty-five percent (125%) of average annual debt service on the Refunding Bonds, or (c) ten percent (10%) of the proceeds of the Refunding Bonds (the "Reserve Requirement"). Any deficiency in the Reserve Account below the Reserve Requirement from time to time will be fully funded within twelve months from Net Revenues.

Net Revenues, after making the necessary deposits to the Sinking Fund, can be deposited into an Operation and Maintenance Fund until there has accumulated an amount sufficient for operation, repair and maintenance of the Sewage Works for the next succeeding twelve calendar months.

Net Revenues, after making the necessary deposits to the Sinking Fund and the Operation and Maintenance Fund, can be deposited into a Sewage Works Replacement Fund to pay the costs of additions and improvements to the Sewage Works.

For a more detailed description of the funds and accounts under the Ordinance and the flow of revenues, see the Ordinance in "APPENDIX B" herein.

ISSUANCE OF ADDITIONAL REVENUE BONDS

The City reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of its Sewage Works, ranking on a parity with the Refunding Bonds, for the purpose of financing the cost of future additions and improvements to the Sewage Works or to provide for refunding of bonds payable from Net Revenues, subject to the following conditions:

1. The interest on and principal of all bonds payable from the revenues of the Sewage Works shall have been paid to date in accordance with the terms thereof.

2. As of the time of issuance of the additional parity bonds, the balance in the Reserve Account shall at least equal the Reserve Requirement for the 1985 Bonds, the Refunding Bonds and all bonds ranking on a parity therewith.

3. The Net Revenues must be established at a level to provide not less than 120% of the maximum annual debt service of the outstanding bonds and the parity bonds proposed to be issued. This condition must be met in either of the following two ways:

    a. by showing that Net Revenues were sufficient in the fiscal year immediately preceding the issuance of the parity bonds; or

    b. by showing that, prior to the issuance of additional parity bonds, rates have been increased sufficiently, and/or the service area and/or customer base have expanded sufficiently, so that when applied to the previous fiscal year's operations, the Net Revenues would have been sufficient.

4. Principal and interest payment dates (month and day only) on the additional parity bonds must be the same as the Refunding Bonds.

5. Unless waived by the insurer of the Refunding Bonds, the additional requirements set forth in Section 22(f) of the Ordinance must be satisfied.

No other bonds may be authorized and issued which pledge any portion of the Net Revenues while the Refunding Bonds and any parity bonds remain outstanding, except if such other bonds are made subordinate and junior in all respects to the Refunding Bonds and any parity bonds. See "APPENDIX B" herein.

ACCOUNTS AND REPORTS

The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from the Sewage Works and all disbursements made therefrom on account of the operation of the Sewage Works and to meet the requirements of the Sinking Fund and all other financial transactions relating to the Sewage Works, including the amounts set aside or credited to the various funds and the cash balances in each of said funds as of the close of the preceding fiscal year. There shall be prepared and furnished upon written request to the original purchaser of the Refunding Bonds and to any subsequent holder of the Refunding Bonds at the time then outstanding, not more than four (4) months after the close of each fiscal year,

operating income and expense and balance sheet statements of the Sewage Works, covering the preceding fiscal year, which annual statements shall be certified by the City Controller, or the person charged with the duty of auditing the books and records relating to the Sewage Works or be prepared by an independent certified public accountant retained for that purpose. Copies of all such statements and reports shall be kept on file in the office of the City Controller. Any holder or holders of the Refunding Bonds then outstanding shall have the right at all reasonable times to inspect the Sewage Works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

RIGHTS AND REMEDIES OF REVENUE BONDHOLDERS

After the issuance of the Refunding Bonds, the Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of the owners of said Refunding Bonds, nor shall the Common Council adopt any law, ordinance or resolution in any way adversely affecting the rights of such owners so long as any of the Refunding Bonds or the interest thereon remain unpaid. The Ordinance may be amended as set forth in the Ordinance.

The owners of the Refunding Bonds shall have all the rights, remedies and privileges set forth in the provisions of the governing Act including the right to have a receiver appointed to administer said Sewage Works in the event the City fails to fix and collect sufficient rates and charges or fails to operate and maintain the Sewage Works or if there is a default in the payment of the principal of or interest on the Refunding Bonds.

MISCELLANEOUS PROVISIONS OF THE ORDINANCE

The City shall at all times maintain its Sewage Works in good condition and operate the same in an efficient manner and at a reasonable cost.

So long as any of the Refunding Bonds are outstanding, the City shall maintain insurance on the insurable parts of the Sewage Works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. In lieu of or in addition to the foregoing, the City may provide for insurance coverage for all or part of the Sewage Works comparable to that described above through a self insurance program. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as Net Revenues of the Sewage Works.

So long as any of the Refunding Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber the Sewage Works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete or other property not required for the proper operation and maintenance of the Sewage Works.

Except as otherwise provided in the Ordinance, so long as any of the Refunding Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of

the Sewage Works shall be authorized, executed or issued by the City except such as shall be made subordinate and junior in all respects to the Refunding Bonds, unless all of the Refunding Bonds are redeemed, retired or defeased coincidentally with the delivery of such additional bonds or other obligations.

LITIGATION

There is not now pending or threatened, to the City's knowledge, any litigation restraining or enjoining the issuance, sale, execution or delivery of the Refunding Bonds or in any way contesting or affecting the validity of the Refunding Bonds, any proceedings of the City taken with respect to the issuance and sale thereof, or the pledge or application of any moneys or security provided for the payment of the Refunding Bonds.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The remedies available to the bondholders upon default under the Ordinance are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Ordinance may not be readily available or may be limited.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

TAX MATTERS

In the opinion of Barnes & Thornburg, South Bend, Indiana, Bond Counsel, under existing statutes, regulations, published rulings and court decisions, as of the date of the delivery of the Refunding Bonds, interest on the Refunding Bonds is excludable under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), from gross income of the holders thereof for Federal income tax purposes, and except for the state financial institutions tax, interest on the Refunding Bonds is exempt from income taxation in the State of Indiana.

The City has covenanted and will certify that it has complied and will comply with the applicable requirements of the Code to maintain the exclusion of the interest on the Refunding Bonds from gross income under Section 103 of the Code. Failure of the City to comply with such covenants could result in interest on the Refunding Bonds being included in gross income of the holders thereof for Federal income tax purposes.

The Refunding Bonds are not "private activity bonds". Therefore, interest on the Refunding Bonds will not be treated as a preference item in calculating alternative minimum taxable income of either corporations or taxpayers other than corporations under the Code. However, the alternative minimum taxable income of most corporations is increased by an amount equal

to 75% of the amount by which the corporations' "adjusted current earnings" exceeds the corporation's alternative minimum taxable income computed as it is generally computed but without regard to this preference item and without regard to the alternative tax net operating loss deduction. Interest on the Refunding Bonds would be includable in the "adjusted current earnings" of a corporation for purposes of the alternative minimum tax.

Certain provisions of the Code may affect certain owners of the Refunding Bonds. With regard to property and casualty insurance companies, the income tax deduction for losses by such companies will be reduced by 15% of the tax-exempt interest received by such companies from newly acquired obligations.

Certain recipients of social security benefits are required to include a portion of such benefits in gross income by reason of receipt of interest which is exempt from tax.

In addition, for taxable years beginning before January 1, 1996, corporations will be subject to a special environmental tax equal to 0.12 percent of the excess of each corporation's alternative minimum taxable income (subject to certain modifications) over a specified amount, generally $2 million. Consequently, a corporation's ownership of the Refunding Bonds may subject it to an alternative minimum tax together with the accompanying special environmental tax, and such ownership may also result in increasing the alternative minimum tax liability and the liability for the special environmental tax of a corporation that is already subject to these taxes. Section 884(a) of the Code imposes on U.S. branches of foreign corporations a 30% tax on the remission to the foreign home office of earnings and profits effectively connected with a U.S. trade or business. Such "earnings and profits" generally include interest which is excludable from gross income for purposes of Federal income taxation, and thus would include interest on the Refunding Bonds.

The foregoing does not purport to be a comprehensive discussion of the tax consequences of owning the Refunding Bonds. Prospective purchasers of the Refunding Bonds should consult with their own tax advisors with respect to the foregoing and other tax consequences of owning the Refunding Bonds. Other than its opinion with respect to the exclusion of interest on the Refunding Bonds from gross income pursuant to Section 103 of the Code for Federal tax purposes, Bond Counsel has expressed no opinion with regard to the Federal tax matters discussed under this caption or with regard to any other Federal tax consequences of owning the Refunding Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Refunding Bonds maturing on and after August 1, ____ (collectively, the "Discount Bonds") is less than the principal amount payable at maturity. As a result the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth on the cover of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amount payable at maturity of the Discount Bonds will be treated as "original issue discount". A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds such Discount Bond to maturity may treat the full amount of original issue discount as interest

which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on February 1 and August 1 (with straight line interpolation between compounding dates).

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

BOND INSURANCE

Concurrently with the issuance of the Refunding Bonds, Financial Guaranty Insurance Company ("Financial Guaranty") will issue its Municipal Bond New Issue Insurance Policy for the Refunding Bonds (the "Policy"). The Policy unconditionally guarantees the payment of that portion of the principal of and interest on the Refunding Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the City. Financial Guaranty will make such payments to Citibank, N.A., or its successor as its agent (the "Fiscal Agent"), on the later of the date on which such principal and interest is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from an owner of Refunding Bonds or the Paying Agent of the nonpayment of such amount by the City. The Fiscal Agent will disburse such amount due on any Refunding Bond to its owner upon receipt by the Fiscal Agent of evidence satisfactory to the Fiscal Agent of the owner's right to receive payment of the principal and interest due for payment and evidence, including any appropriate instruments of assignment, that all of such owner's rights to payment of such principal and interest shall be vested in Financial Guaranty. The term "nonpayment" in respect of a Refunding Bond includes any payment of principal or interest made to an owner of a Refunding Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code of a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

The Policy is non-cancellable and the premium will be fully paid at the time of delivery of the Refunding Bonds. The Policy covers failure to pay principal of the Refunding Bonds on their respective stated maturity dates and not any other date on which the Bonds may have been otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment.

Generally, in connection with its insurance of an issue of municipal securities, Financial Guaranty requires, among other things, (i) that it be granted the power to exercise any rights granted to the holders of such securities upon the occurrence of an event of default, without the consent of such holders, and that such holders may not exercise such rights without Financial Guaranty's consent, in each case so long as Financial Guaranty has not failed to comply with its payment obligations under its insurance policy; and (ii) that any amendment or supplement to or other modification of the principal legal documents be subject to Financial Guaranty's consent. The specific rights, if any, granted to Financial Guaranty in connection with its insurance of the Refunding Bonds are set forth in the description of the principal legal documents appearing elsewhere in this Official Statement.

This Official Statement contains a section regarding the ratings assigned to the Refunding Bonds and references should be made to such section for a discussion of such ratings and the basis for their assignment to the Refunding Bonds. (See "RATINGS" herein). Reference should be made to the description of the City for a discussion of the ratings, if any, assigned to such entity's outstanding parity debt that is not secured by credit enhancement.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Guaranty is a wholly-owned subsidiary of FGIC Corporation (the "Corporation"), a Delaware holding company. The Corporation is a subsidiary of General Electric Capital Corporation ("GE Capital"). Neither the Corporation nor GE Capital is obligated to pay the debts of or the claims against Financial Guaranty. Financial Guaranty is a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of December 31, 1992, the total capital and surplus of Financial Guaranty was approximately $621,000,000. Financial Guaranty prepares financial statements on the basis of both statutory accounting principles and generally accepted accounting principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 115 Broadway, New York, New York 10006, Attention: Communications Department (telephone number: (212) 312-3000) or to the New York State Insurance Department at 160 West Broadway, 18th Floor, New York, New York 10013, Attention: Property Companies Bureau (telephone number: (212) 602-0389).

RATINGS

Fitch Investors Service, Inc., Moody's Investors Service and Standard & Poor's Corporation have assigned ratings of "AAA", "Aaa" and "AAA", respectively, to the Refunding Bonds, with the understanding that, upon delivery of the Refunding Bonds, the Financial Guaranty Policy will be issued by Financial Guaranty. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the

rating agency furnishing the same, at the following addresses: Fitch Investors Service, Inc., One State Street Plaza, New York, New York 10004; Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; Standard & Poor's Corporation, 25 Broadway, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Refunding Bonds.

UNDERWRITING

The Refunding Bonds are being purchased by the Underwriters pursuant to the Purchase Contract for reoffering at an aggregate purchase price of $______________ plus accrued interest. The purchase price reflects Underwriters' discount of $_____________ and an original issue discount of $______________. The initial public offering prices are set forth on the cover page of this Official Statement. The Purchase Contract provides that the Underwriters will purchase all of the Refunding Bonds if any are purchased. The obligations of the City to deliver the Refunding Bonds and of the Underwriters to accept delivery of the Refunding Bonds are subject to various conditions contained in the Purchase Contract.

The Underwriters may offer and sell the Refunding Bonds to certain dealers at prices lower than the public offering prices stated on the cover page of this Official Statement.

First Chicago Capital Markets, Inc. ("FCCM") is a broker-dealer and subsidiary of First Chicago Corporation. Any obligations of FCCM are its sole obligations and do not create any obligations on the part of any affiliate of FCCM, including any affiliated banks.

CONCLUDING STATEMENT

The foregoing summaries and statements in this Official Statement do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. The attached Appendices are an integral part of this Official Statement and should be read together with all of the foregoing statements.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and are not presented as unqualified statements of fact. The information contained herein has been carefully compiled from sources deemed reliable and to the best knowledge and belief of the City there are no untrue statements nor omissions of material facts in the Official Statement which would make the statements and representations therein misleading.

The general purpose financial statements of the City of Fort Wayne, Indiana as of and for the year ended December 31, 1992 have been audited by the Indiana State Board of Accounts in accordance with generally accepted auditing standards. The said State auditors have expressed an unqualified opinion on the City's general purpose financial statements at the date of and for the period referred to above. A copy of the auditor's report and opinion are available to interested parties by application to the City Controller.

The financial statements of the City of Fort Wayne Utilities as of and for the year ended December 31, 1992 have been audited by KPMG Peat Marwick, certified public accountants, in accordance with generally accepted auditing standards. Such Financial Statements and Auditors' Report thereon appears as APPENDIX A herein.

The presentation of historical tax and other financial data exhibited elsewhere herein is intended to show recent trends and conditions. There is no intention to represent by such data that such trends will continue in the future nor that any pending improvement or diminution of local conditions is indicated thereby.

This Official Statement has been prepared on behalf of the City of Fort Wayne, Indiana, by Municipal Consultants, financial consultants, from information supplied by the City of Fort Wayne and other information sources deemed reliable. Inquiries concerning information contained in the Official Statement should be directed to said Municipal Consultants, attention Michael A. Claytor (317-269-6680).

The execution of this Official Statement has been authorized by the City of Fort Wayne.

CITY OF FORT WAYNE, INDIANA

/s/Paul Helmke
Mayor

Dated: May 18, 1993

DESCRIPTION OF THE CITY

Location

The City of Fort Wayne is located in northern Indiana, 116 miles northeast of Indianapolis, 154 miles east of Chicago and 156 miles southwest of Detroit. It is the county seat of Allen County.

Population-Employment

		Fort Wayne	Allen County
Population	1950	133,607	183,722
	1960	161,776	232,196
	1970	178,021	280,455
	1980	172,186	291,759
	1990	173,072	300,836

Employment — 181,820 Employed; 12,120 Unemployed; Work Force of 193,940 (Ft. Wayne MSA); 6.2% Unemployment Rate as of February 1993.

Data reported by Department of Employment and Training Services, Indianapolis, Indiana in cooperation with U.S. Bureau of Labor Statistics.

Taxes

Assessed Valuation: $1,301,140,183 for taxes payable in 1993.

Property Tax: $8.4106 for 1992 per $100 of assessed valuation after property tax credit of 20% (paid by State from sales tax receipts). Household goods are exempt.

Sales & Use Tax: 5% tangible personal property except food and prescription drugs; Allen County Food & Beverage sales tax of 1%.

Individual Adjusted Gross Income: 3.4% of earnings - $1,000 annual exemption allowed for taxpayer and each dependent.

Excise Tax: Cigarettes - 15.6 cents per package. Gasoline - 15 cents per gallon.

Automobile Tax: Excise tax in lieu of personal property tax, based on initial retail price and age of vehicle.

County Surtax: Annual tax of 5% with a $7.50 vehicle minimum on vehicles subject to state license excise tax.

County Wheel Tax: Annual tax on buses, tractors, trailers, trucks, special machinery and recreational vehicles with a minimum of $7.50 and a maximum of $30.00 per vehicle.

County Option Income Tax: .5% of taxable income of Allen County residents and .125% of taxable income for non-residents employed in the County effective July 1, 1993.

County Economic Development Income Tax: .2% of taxable income of Allen County residents and .05% of taxable income for non-residents employed in the County effective July 1, 1993.

Education

Public Schools: 52 schools including 6 senior and 11 middle schools.

Parochial Schools: 13 Catholic, including 2 senior high schools; 12 Lutheran, including one senior high school.

Colleges/Universities: Indiana-Purdue Regional Campus, St. Francis College, Concordia Theological Seminary, International Business Junior College, Indiana Vocational Technical College, Indiana Institute of Technology, Summit Christian College and ITT Technical Institute.

Transportation

Air Lines: Delta, American Eagle, Northwest, United Express, Comair and U.S. Air.

Air Cargo Facilities: Federal Express and UPS.

Railroads: ConRail; Norfolk & Southern; Amtrak.

Highways: I-69; US 24, 27, 30, 33; State Roads 1, 3, 14, 37.

Streets: 655 miles of roadways within corporate limits.

Inter-City Bus: ABC Coach, Indiana Motor Bus, Greyhound.

Motor Carriers: 60 common and contract motor carriers of which 53 have terminals in Fort Wayne.

Intra-City Bus: Fort Wayne Public Transportation Corporation.

Utilities

Electricity: Indiana Michigan Power Company.

Gas: Northern Indiana Public Service Company.

Water: City-owned filtration plant. Capacity per day - 72 million gallons; 69,087 users.

Sewer: City-owned plant designated as a regional water pollution control facility by EPA. New 60 mgd plant completed in 1977. There are presently 71,224 users.

Telephone: General Telephone Company of Indiana.

Community Data

Airports: Baer Field - scheduled airline, private/military flying and Smith Field - private only.

Altitude: 791 feet above sea level.

Area: 56 square miles

Churches: City of churches - 320 churches virtually representing all denominations.

City Government: Mayor - Councilman form; 21 wards, 223 precincts in the county; nine council members.

Climate: 35 inches of rainfall annually - mean annual temperature of 50 degrees.

Fire Protection: 11 stations, 256 men, 50 pieces of equipment. (Class 3 fire insurance rating.)

Police Protection: 314 men and 24 women - 120 pieces of equipment.

Hospitals: Lutheran, Parkview and St. Joseph with a total of 1,505 beds. A Veteran's Administration Hospital, numerous private nursing homes and Charter Beacon Hospital are also available in the area.

Parks: 79 public parks and playgrounds covering 1,900 acres, including a zoo, floral gardens, tennis courts, swimming pools, golf courses.

Recreation: The City has 6 golf courses; 3 indoor tennis clubs; 16 bowling alleys; War Memorial Coliseum seating up to 10,000 for recreational events. Fort Wayne Komets represented in International Hockey League competition, Fort Wayne Wizards in the Midwest Class A Baseball League, Fort Wayne Fury in the Continental Basketball Association and Fort Wayne Sport Club plays in Indiana-Ohio Soccer League. Area Soap Box Derby, 15 movie theaters, 300 lakes in 50 mile radius of City.

Cultural: Arts United of Greater Fort Wayne and its various performing groups. "Community Center for the Performing Arts" located downtown. Annual Three Rivers Festival attracts thousands of spectators with over 100 historical events, displays and parades. Reconstructed 1816 "Fort" near downtown. Downtown projects include an Art Museum and Botanical Conservatory built from funds provided in large part by local charitable trusts. The City has become a major regional convention and exhibition center with the construction of the Grand Wayne Center (downtown) and the Coliseum Exhibition Center (suburban).

Voting Requirements: 18 years of age and 30 day residency requirement in state, township and precinct.

Business Data

Building Permits: In 1992 Fort Wayne issued 188 residential building permits with a total value of $19,690,612 and 47 commercial building permits with a total value of $38,320,142.

Financial: Located in Fort Wayne are the following banks with total deposits and total assets as of December 31, 1992:

	Bank Deposits	Total Assets
NBD	$ 1,451,316,000	$ 1,679,335,000
Norwest Bank Fort Wayne	856,690,000	990,349,000
Fort Wayne National Bank	990,321,000	1,314,457,000

Hotels-Motels: 38 with more than 4,000 rooms.

Newspapers: Journal-Gazette (D) morning daily and Sunday. News-Sentinel (R) evening daily excluding Sunday. Both located at 600 West Main Street, Fort Wayne, Indiana 46802.

Manufacturers: employ approximately 51,000.

Radio & Television: Radio - WMEE, WAJI, WOWO, WGL, WEZV, WBLC, WIPU, WXKE, WFWR, WQHK, WBNI.

Television: WKJG, WANE, WPTA, WFFT, WFWA.

Retail: County retail sales over one billion dollars. Retailers are served by Downtown Fort Wayne Association, several shopping center associations, Better Business Bureau and Fort Wayne Credit Bureau.

Principal Industries

Principal industries in Fort Wayne are Uniroyal Goodrich Co., tires for autos and trucks; Bowmar Instruments Corp., Aerospace Division, precision electro-mechanical components; Central Soya Co., Inc., soybean meal and feeds; Dana Corporation, Spicer Axle Division, differentials and axles; Essex Group, Inc., sub. United Technology, cable products, magnet wire and electrical wire; General Electric Co., Electronic Aircraft Control Division, aircraft controls; General Motors Corporation, light-duty trucks; General Telephone Co. of Indiana, Inc.; Indiana & Michigan Electric Co.; ITT Aerospace/Optical Division, electronic equipment; Lincoln Manufacturing Co., Inc., food service equipment; Magnavox Government & Industrial Electronics Co., industrial and defense electronic equipment; Northern Indiana Public Service Co., Phelps Dodge Industries, Inc., copper and aluminum magnet wire; Power Wheels, Inc., children's toys; Rea Magnet Wire Co., Inc., copper and aluminum magnet conductors; Slater Steel, Inc., stainless steel; Tokheim Corporation, gasoline pumps and meters; Wayne Home Equipment Co., Inc., burners and pumps; Zollner Corporation, heavy duty pistons.

Major Employers

The major employers in Allen County and number of employees are:

	1992
Lincoln National Life Insurance Co.	4,688
Fort Wayne Community Schools	3,982
Zollner Corporation	3,363
Parkview Memorial Hospital	3,347
General Electric	3,000
North American Van Lines	2,765
General Motors	2,700
General Telephone	2,500
Magnavox	2,277
Scott's Food Stores	2,200
ITT Aerospace	2,160
Lutheran Hospital	2,070
Uniroyal Goodrich	2,000

Source of Data and Information

Statistical data and other information set forth under this "Description of the City" have been compiled by the City's financial consultant, Municipal Consultants, from sources deemed to be reliable.

DESCRIPTION OF THE SEWAGE WORKS

Management and Operations

The City of Fort Wayne operates a Sewage Works designated as the Fort Wayne Water Pollution Control Utility (WPC Utility). The operation of the WPC Utility is controlled by the Board of Public Works of the City. The members of the Board of Public Works may hold other appointive positions in the City government. The present Board members and their current City position, if any, are as follows:

	City Position
Charles E. Layton, Chairman	Director of Public Works
Katherine A. Carrier, CPA	Citizen Member
C. James Owen, Ph.D	Citizen Member

In 1992 the City Utilities (including the Electric Utility, Water Utility, Sewage Works, Stormwater Service and certain internal service operations) were reorganized under a Director of Utilities who is responsible for the day-to-day operations of all utility operations, engineering and planning. Terry Atherton was appointed Director of Utilities. He was formerly head of Water Resources for the City of Fort Wayne and has worked for the City since 1969. Mr. Atherton received his Bachelor of Science degree from Purdue University in 1970, is a Registered Land Surveyor and Registered Professional Engineer in Indiana. He has worked in various capacities for the City of Fort Wayne since May of 1969 except for a six-year period while engaged in private practice. He is a member of the American Waterworks Association, American Public Works Association and the Water Pollution Control Federation.

The Board of Public Works may enter into all contracts or agreements necessary to performing its duties. However, the Board may not obligate the City to a contract relating to the financing of construction or improvements to the Sewer Utility without the approval of the municipal legislative body, the Fort Wayne Common Council. The Fort Wayne Common Council has the authority and responsibility to establish just and equitable rates and charges for sewer services. Rates and analyses of cost of service are also subject to review by the Indiana Department of Environmental Management and the U.S. Environmental Protection Agency as a result of receiving Federal funding for past projects.

The current rates were implemented on August 1, 1992 and represented an approximately 36.7% increase in gross revenues. The current rates are based on the quantity of water used plus a charge based on the meter size. In addition the City imposes an additional charge on users whose sewage waste exceeds the "stronger than normal domestic strength" sewage waste limits, based on the applicable levels of discharges. Wholesale users are billed for services in accordance with a contract or intermunicipal agreement. The rates and charges set forth in the agreement are intended to cover the City's cost of treating and disposing of the applicable waste as well as a portion of the operation, maintenance and capital costs of the Treatment Plant.

Sewage users are billed monthly and assessed a 10% penalty on the amount due if the bill has not been paid within 22 days. The user will be disconnected if the bill becomes 30 days past due. (Delinquency notices are sent ten days prior to disconnection.) In order to collect amounts owed, the City usually takes the following steps: (1) in-house collection, (2) outside agency collection, and (3) filing of sewage lien on property.

Customer Base

The WPC Utility provides sewer service to all developed areas within the City and to certain areas outside its boundaries, including certain industrial customers outside the City limits. The WPC Utility estimates that it serves over 200,000 individuals through its own customer base and the treatment of effluent from other communities and sewer utilities. The WPC Utility's direct customers include:

Residential	65,059
Commercial	5,087
Industrial	357
Institutional	523
Governmental	198
Total	71,224

Rates and Charges

Rates and Charges of the WPC Utility are based upon a cost of service study which allocates costs among customer classes based on the cost of serving that class of customer. The monthly sewer use charge (based on water metering) for 1,000 cubic feet of use (7,480 gallons) is $10.28. This is among the lowest charges for municipal sewer systems in Indiana's First and Second Class Cities (Second Class Cities are those with population greater than 35,000 excluding only Indianapolis which is classified as a First Class City). Of the three Indiana cities with sewer use charges lower than Fort Wayne, two subsidize capital projects with general property taxes.

Physical Plant

The WPC Utility Plant has a design capacity of 60 million gallons per day (MGD) and consists of primary treatment with separate sludge digestion, followed by an activated sludge secondary treatment and chlorination system and a phosphorus removal system. The sewage enters the plant 32 feet below grade through a 7 foot semi-elliptical sewer.

The sewage flow is divided between two 7' wide by 60' long grit chambers equipped with electrically operated sluice gates at the inlet and hydraulically operated sluice gates at the outlet of the grit chamber. Sewage passes through 1" mechanically raked bar screens with rakings ground and returned to the sewage flow. Grit is removed by mechanical scrapers to a sump pit. It is then pumped through a cast iron pipeline to a lagoon where the grit settles out. The water is returned to the plant for treatment.

Four variable speed automatic controlled raw sewage pumps and one 10-20 MGD gas engine driven raw sewage pump with variable speed flow control provide 72 MGD total pump capacity. These pumps lift the sewage thirty-two feet from the wet well to the raw sewage channel.

The primary tanks have a total capacity of 2,210,000 gallons. Detention time at an average flow rate is 1.7 hours. Raw sludge is removed by mechanical scrapers and flows by gravity and manual controlled air lifts to a sludge pit. It is then pumped to the primary digesters.

There are nine two-bay aeration tanks having a total capacity of 17,430,000 gallons. All tanks are supplied air, discharging through coarse air diffusers which have a center-of-tank arrangement.

There are four 120′ and five 125′ diameter secondary clarifiers with peripheral feed and radial flow with a total capacity of 11,960,303 gallons. These tanks are equipped with a revolving sludge removal mechanism with all tanks having surface skimming devices. Secondary effluent flows over V notched weirs and is metered and discharged to a diversion structure where chlorine solution is applied. Activated sludge is returned to the aeration tanks by air lift pumps on all 9 tanks, plus additional centrifical pumping on four aeration tanks.

Secondary effluent is discharged to a diversion structure, clorinated and discharged to the terminal polishing ponds. The purpose of the terminal ponds is to polish the effluent from the secondary treatment plant before the wastewater is discharged to the Maumee River in accordance with the City's NPDES permit. The terminal ponds are designed for a detention time of two days at a flow of 60 MGD. Currently, there are two ponds that may be used for plant effluent with a third pond for use in treating stormwater.

Digested sludge disposal is handled by employing the shallow lagoon drying method and then removal by mechanical equipment to be given away as soil conditioner. Lagoons are located at two separate areas. The first five lagoons of approximately 200,000 cubic yards liquid capacity are 3,500 feet east of the plant. The second and newer area is two and a half miles east of the plant and has a total land area of 472 acres, 207 of which are in lagoons with a liquid capacity of 1,669,000 cubic yards.

The wastewater collection system consists of both combined and separate sanitary sewers which provide for the collection of wastewater for treatment at the plant. Certain repair and maintenance costs of the combined system are shared with the Stormwater Service of the City.

The City is in the process of completing a wastewater master plan which may identify need for future plant expansion. The City is currently contemplating a sludge disposal project which is designed to alleviate sludge storage capacity concerns and should increase reserve capacity at the plant for both sludge storage and treatment capacity. The project is currently estimated to cost approximately $7,000,000 and may be financed through a bond issue in 1993 or 1994.

Average daily flow in 1992 was 56.9 mgd and the single maximum daily flow was 70.7 million gallons. Trend flow data is presented as follows:

	1992	1991	Design Capacity	Record Demand	
Average flow (mgd)	56.9	46.5	60.0	56.9	(1992)
Maximum flow (mgd)	70.7	88.6	72.0	88.6	(1991)

Largest Sewage Works Customers

Customer	1992 (ccf) Consumption	1992 Revenues	Percent of Total Revenue
New Haven Municipal	595,887	$ 408,585	3%
General Motors	405,063	450,910	3
Utility Center, Inc.	385,111	147,382	1
Slater Steel	163,938	186,457	1
General Electric	132,309	118,906	1
Total percentage for 5 largest customers			9%

Debt Service Coverage

Debt service coverage for the Sewage Works is calculated as follows:

	(1) 1990	(1) 1991	(1) 1992
Net Operating Income (2)	$ (902,156)	$ (817,578)	$ 1,021,532
Investment Income	986,171	656,231	254,637
Add-Back Depreciation	4,121,509	4,308,545	4,303,199
Less: Contributions In Lieu of Taxes	(577,500)	(606,375)	(1,083,484)
Net Revenues Available for Debt Service	3,628,024	3,540,823	4,495,884
Debt Service	3,091,555	3,093,005	3,093,555
Coverage - $	$ 536,499	$ 447,818	$ 1,402,329
- %	117.35%	114.48%	145.33%

(1) From Financial Statements and Auditors' Report thereon of the City of Fort Wayne Utilities for the years then ended calculated with actual debt service. The Financial Statements and Auditors' Report thereon for the year ended December 31, 1992 are reproduced herein as APPENDIX A.

(2) Does not fully reflect effects of a 36.7% rate increase effective August 1, 1992.

CITY DEBT AND LEASE OBLIGATIONS

Direct and Overlapping Debt

(As of January 2, 1993)

Direct Debt	Total Direct Debt	% Applicable	Amount Applicable
City of Fort Wayne			
Municipal Bonds- 1982	$ 1,630,000	100.0%	$ 1,630,000
- 1986	2,680,000	100.0	2,680,000
- 1986 (Phase II)	2,105,000	100.0	2,105,000
Total City Direct Debt			$ 6,415,000
Overlapping Direct Debt & Lease Obligations			
Direct Debt			
Park District	1,730,000	100.0%	$ 1,730,000
Redevelopment Commission	4,330,000	100.0	4,330,000
Public Transportation Corp.	775,000	84.7	656,425
Fort Wayne/Allen County Airport Authority	2,683,182	53.6	1,438,186
Allen County Public Library	10,245,000	53.6	5,491,320
East Allen County School Corporation*	9,640,000	19.0	1,831,600
Southwest Allen County Schools*	56,494,375	4.6	2,598,741
Allen County	45,850,000	53.6	24,575,600
Total Overlapping Direct Debt			$ 42,651,872

* Also includes Common School Loan Fund Debt

Direct Debt Issuance Limitation

The Civil City is limited to the issuance of direct debt not to exceed 2% of the assessed valuation of property within said Civil City.

Total Assessed Valuation - 1992/1993	$ 1,301,140,183
2% Thereof	$ 26,022,804
Present General Obligation Bonds - subject to limitation	6,415,000
Issuance Margin	$ 19,607,804

Per Capita & Debt Ratio Analysis

Population - 1990		173,072
Assessed Valuation (1992/93)	$	1,301,140,183

Description	Amount	Debt Per Capita	Ratio Of Debt/Assessed Valuation
Total City Direct Debt	$ 6,415,000	$ 37.07	.51%
Total Overlapping Direct Debt & Lease Obligations	42,651,872	246.44	3.28

City Tax Incremental Financing Bonds

The City presently has outstanding $9,670,000 Fort Wayne Redevelopment Tax Incremental Financing Bonds (TIF Bonds). These TIF Bonds are payable solely from the excess property tax revenues of a certain designated Redevelopment District of the City and do not constitute a claim against the base property taxes collected or other income of the City. The annual availability of excess tax revenues depends on a large number of factors, many of which are outside of the control of the City, including the construction of new property in the District.

Statement of City-Owned Utility Debt

The City of Fort Wayne owns and operates water and sewage works utilities which have heretofore issued revenue bonds. These bonds constitute a lien on the revenues of said utilities and are not, pursuant to Indiana statutes, a direct obligation of the City. Revenue bonds issued and outstanding as of December 31, 1992 were as follows:

Utility		Interest Rates	Final Maturity	Bonds Outstanding
Sewage Works -	1985	8.25% - 9.10%	2005	$ 11,024,736
Sewage Works -	1986(1)	7.4% - 7.875%	2011	4,645,000
Waterworks -	1967(2)	5%	2000	1,100,000
Waterworks -	1968(2)	5.4%	2000	1,300,000
Waterworks -	1978(2)	6% - 6.5%	2003	11,175,000
Waterworks -	1982(2)	10.75% - 11.25%	2002	1,090,000
Waterworks -	1986(2)	5.75% - 6.75%	2007	3,465,000
Waterworks -	1990(2)	7.1% - 9.5%	2007	6,810,000

(1) To be refunded with proceeds of the Refunding Bonds.

(2) To be refunded with proceeds from Waterworks Refunding Revenue Bonds of 1993, being issued simultaneously with the Refunding Bonds.

Lease of Electric Utility

Effective March 1, 1975, the City of Fort Wayne leased its Electric Utility to Indiana and Michigan Electric Company for a term of thirty-five years with an option for another fifteen years. Rental payments are due and payable in equal monthly installments in advance on the first day of each month. Rental payments made at any time within thirty days after the due date are not delinquent. Annual rentals to December 31, 1992 are as follows:

Amount	Year	Totals	Received	Future Rentals
$ 1,440,000	3/1/75 - 2/29/80	$ 7,200,000	$ 7,200,000	$ -0-
1,490,000	3/1/80 - 2/28/85	7,450,000	7,450,000	-0-
1,540,000	3/1/85 - 2/28/90	7,700,000	7,700,000	-0-
1,590,000	3/1/90 - 2/28/95	7,950,000	4,770,000	3,180,000
1,640,000	3/1/95 - 2/28/00	8,200,000	-0-	8,200,000
1,690,000	3/1/00 - 2/28/05	8,450,000	-0-	8,450,000
1,740,000	3/1/05 - 2/25/10	8,700,000	-0-	8,700,000
Totals		$ 55,650,000	$ 27,120,000	$ 28,530,000

In December 1983, the City, acting through its Electric Utility, entered into a Standby Financing Agreement with the Developer of the downtown Hilton Hotel and a Reimbursement Agreement with a letter of credit bank, the terms of which provided that if the Developers defaulted on a $10,000,000 Economic Development Bond, the City, by and through its Electric Utility, would reimburse the letter of credit bank for up to $3,000,000.

The City has become obligated to make the reimbursement required of it under the Standby Financing Agreement and the Reimbursement Agreement and has discharged said obligation through the issuance of City of Fort Wayne Electric Utility Refunding Bonds of 1987 (Bonds) in the principal amount of $3,000,000. Said Bonds are payable solely from the net revenues of the City's Electric Utility and are further secured by the pledge of certain securities held by the Fort Wayne Community Trust. The obligation is not a general obligation of the City and is not payable through tax revenues of the City. The obligation is not entitled to the City's full faith and credit. The anticipated future net revenues of the City's Electric Utility together with the pledged assets of the Fort Wayne Community Trust are expected to be sufficient to meet the obligations under said Bonds.

Prospective Debt Issues

The City expects to issue additional long term debt payable from user charges during 1993 for sludge disposal modifications to the Sewage Works. The City is issuing its Waterworks Refunding Revenue Bonds of 1993 simultaneously with the Refunding Bonds.

In addition, the City anticipates the issuance of bonds during 1993 for improvements to the Fort Wayne Park District and the issuance of bonds for public safety needs including vehicles and building projects. The City anticipates the issuance of highway improvement bonds payable from Economic Development Income Taxes and a potential bond issue payable from Electric Utility lease revenues during 1993.

Total City Tax Rates (1)
(Per $100 Assessed Valuation)

Total Civil City and County Tax Rates (by year of assessment)

	1992	1991	1990	1989	1988
City-Township					
Adams	$ 10.0991	$ 9.3918	$ 9.1323	$ 8.9657	$ 10.9529
Pleasant	9.9843	9.3563	9.0209	8.8713	10.9438
St. Joseph	10.0791	9.4182	9.0217	8.8543	10.9236
Washington	9.9675	9.3411	9.0268	8.8601	10.9391
Wayne	10.5132	10.0084	9.4203	9.1500	11.4948

Analysis of Civil City and County Tax Rate

	City - Wayne Township				
State	$ .1497	$ .1462	$ .1321	$ .1304	$ .1636
County	1.2332	1.2290	1.1765	1.1466	1.4479
Township	.5651	.6891	.4110	.3057	.5840
Schools	4.6580	4.0964	3.8920	3.7556	4.5576
Airport	.0971	.0972	.0940	.0948	.1220
Library	.3931	.3830	.3296	.3304	.4079
Public Transportation	.1208	.1281	.1318	.1332	.1593
	7.2170	6.7690	6.1670	5.8967	7.4423
City					
General Fund	$ 1.6424	$ 1.4990	$ 1.4877	$ 1.6607	$ 2.0854
Police Pension	.0385	.1170	.2247	.1209	.1607
Fire Pension	.1222	.1421	.1400	.1359	.1754
Sanitary Pension	.0166	.0139	.0141	.0162	.0221
Redevelopment - General	.0123	.0141	.0090	.0102	.0126
Parks	.3766	.3673	.3532	.2897	.3595
Sewer Relief	-0-	-0-	-0-	-0-	-0-
Civil City Bonds	.3191	.3465	.3286	.3634	.4197
Fire	.7685	.7395	.6960	.6563	.8171
Total Civil City	3.2962	3.2394	3.2533	3.2533	4.0525
Total Civil City and County Tax Rate	$ 10.5132	$ 10.0084	$ 9.4203	$ 9.1500	$ 11.4948

(1) Includes Allen County and overlapping levies, payable in succeeding year. All tax rates exhibited are before deduction of 15%-17% thereof for property tax relief funds provided from State of Indiana tax sources and before deduction of homestead credits.

Record of Taxes Levied and Collected

Total County

Collection Year	Levied	Current Collected	%	Current & Delinquent Collected	%
1988	$ 142,359,563	$ 138,713,045	97.4%	$ 143,510,499	100.8%
1989	159,104,031	156,019,933	98.1	159,705,536	100.4
1990	173,316,679	170,223,380	98.2	173,901,009	100.3
1991	188,526,505	181,168,964	96.1	186,873,677	99.1
1992	203,003,330	194,620,371	95.9	200,336,886	98.7

Assessed Valuation

Assessed valuation of real and personal property represents approximately one-third of true value and is net of exemptions.

Assessment Year	Net Assessed Valuation
1982-83	$ 728,796,370
1983-84	743,587,930
1984-85	759,036,540
1985-86	800,776,870
1986-87	844,575,680
1987-88	873,202,980
1988-89	904,488,570
1989-90	1,201,415,194
1990-91	1,226,220,835
1991-92	1,264,082,134
1992-93	1,301,140,183

Assessed Valuation of Allen County for 1992-93 is $2,428,590,398 which does not include Tax Incremental Financing district valuation.

Largest Taxpayers	1991-92 Assessed Valuation
Dana Corporation	$ 24,366,590
Indiana Michigan Power Company	21,727,030
GTE North, Inc.	21,645,600
Magnavox Company	19,674,590
General Electric Company	18,390,700
Lincoln National Corporation	17,459,180
Lake County Trust/Landau & Hayden	15,544,730
Super Value Stores	14,095,610
Prudential Insurance Company	13,767,740
Summerfield, Nicholas U. Et al. Trust	11,330,000
Total	$ 178,001,770
Percent to Total Assessed Valuation	13.7%

City Pension Plan

Civil City and City Utilities' Employees

All City employees, other than police and firemen, are covered by PERF. City contributions for 1992 were 6.83% of wages for Civil City personnel and for City Utilities' employees. The City's 1992 payments of such contributions totalled $1,750,515 including amortization of unfunded past service costs over 40 years and interest thereon. At December 31, 1992 net assets available for benefits, in the aggregate, exceeded the actuarial present value of accumulated plan benefits, based on an assumed 7 1/2% rate of return.

Police and Firemen

The City has pension plans pursuant to state statute for the benefit of police and firemen. Plans covering participants prior to 1977 are paid from current tax levies and current employee contributions of 6%. Certain pre-1977 participants, by election subject to a lump sum payment of $10,000, converted to coverage by Public Employee Retirement Fund (PERF). In either case, the City has undertaken payment only on a pay-as-you-go basis, without advance funding, paying the difference between employee contributions and required current year payments out of current tax levies.

Police and firemen employed after May 1, 1977 are covered by PERF, which plan currently requires contributions of 21% by the City and 6% by the employee.

Both of the foregoing classes of employment have created substantial unfunded liability for the City, as set forth hereafter. The City receives certain funds annually from the State of Indiana Pension Relief Fund, a fund to assist all Indiana cities with police and firemen pension costs. Receipts of the Fund are derived from certain state cigarette and liquor taxes. The City cannot estimate if this assistance will continue nor in what amount such funds will be available in future years.

The latest actuarial valuation of the prior to 1977 police and firemen plans was performed as of December 31, 1992. In 1992 the City contributed $2,233,590 and participants $143,021 to defray current benefits. As of December 31, 1992 the City had unfunded pension liabilities for police and firemen, net of assets available for plan benefits, based on an assumed 7% rate of return, in the amount of $204,728,231.

Sanitary Officers

During 1992 the City paid benefits to nineteen retired sanitary officers or beneficiaries in the amount of $192,979. These are former employees of the City Health Department which is now consolidated with and administrated by the Fort Wayne/Allen County Health Department. No provision is being made to fund prior service costs of these retirees. In 1992 the City contributed $192,979 and participants $9,103 to defray current benefits. As of December 31, 1992 the City had unfunded pension liabilities for sanitary officers, net of assets available for plan benefits in the amount of $5,957,404.

Sources of Data and Information

Statistical data and other information set forth under the caption "City Debt and Taxation" have been compiled by the City's financial consultant, Municipal Consultants, from sources deemed to be reliable.

APPENDIX A

FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON OF THE CITY UTILITIES OF THE CITY OF FORT WAYNE FOR THE YEAR ENDED DECEMBER 31, 1992

APPENDIX B

ORDINANCE NO. S-42-93

APPENDIX C

FORM OF BOND COUNSEL OPINION

APPENDIX D

FORM OF BOND INSURANCE POLICY

BILL NO. S-93-05-15

REPORT OF THE COMMITTEE ON
CITY UTILITIES
JANET G. BRADBURY - CHAIRPERSON
SAMUEL J. TALARICO - VICE CHAIRPERSON
RAVINE, HENRY

WE, YOUR COMMITTEE ON CITY UTILITIES TO WHOM WAS REFERRED AN (ORDINANCE) ~~(RESOLUTION)~~ concerning the issuance of revenue bonds to refund outstanding waterworks bonds of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, and repealing ordinances in conflict therewith

HAVE HAD SAID (ORDINANCE) ~~(RESOLUTION)~~ UNDER CONSIDERATION AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID (ORDINANCE) ~~(RESOLUTION)~~

DO PASS	DO NOT PASS	ABSTAIN	NO REC
C R Edmonds			
Sam J. Talarico			
[illegible]			
Thomas J. Henry			

DATED:

Sandra E. Kennedy
City Clerk

THE CITY OF FORT WAYNE

CITY OF FORT WAYNE INDIANA KE KI ON GA

FORT WAYNE - A WORLD ~ CLASS COMMUNITY

Paul Helmke
Mayor

MEMORANDUM

LAW DEPARTMENT

S-93-05-15

TO: CITY COUNCIL MEMBERS

FROM: J. TIMOTHY MCCAULAY, CORPORATION COUNSEL

DATE: May 10, 1993

SUBJECT: UTILITY BOND REFINANCINGS

The City of Fort Wayne Utilities propose to refinance certain outstanding waterworks and sewage works debt. The proposed refinancing will both generate significant savings and help modernize the waterworks utility's debt structure so as to place its future debt issues in a more favorable marketing position and to allow greater flexibility in handling day-to-day utility financial matters.

The refinancing is based on a proposal submitted by First Chicago Capital Markets, Inc. dated April 7, 1993, a copy of which is provided herewith. The proposal, among other things, assumes the issue will be "insured" to permit marketing as a triple-A rating.

WATERWORKS REFINANCING: The City's Waterworks Utility has six outstanding revenue bond issues (Series 1967, 1968, and 1978 are senior lien bonds; Series 1982, 1986, and 1990 are junior lien bonds.). The refunding issue size would approximate $26 million with anticipated savings, after subtracting estimated issuance costs of $371,370 (1.428%) and bond insurance premiums, based on First Chicago's April 7th report, of $912,000 cumulative and $654,000 total net present value. Actual savings will depend upon market conditions at the time of sale. The refinancing will not extend the payment period for any issue being refinanced.

SEWAGE WORKS REFINANCING: The City's Sewage Works has two outstanding revenue bonds (Series 1985 and Series 1986). Only the Series 1986, however, has callable bonds. Nevertheless, given the current favorable market rates for insured Triple-A bonds, an issue sized at approximately $5.3 million would generate anticipated savings, after subtracting estimated issuance costs of $116,830 (2.217%) and bond insurance premiums, based on First Chicago's April 7th report, of $422,000 cumulative and $272,000 total net

present value. Actual savings will depend upon market conditions at time of sale. The refinancing will not extend the payment period for the issue being refinanced.

TIMETABLE: The project is on a "fast track" to avoid negative arbitrage. Negative arbitrage occurs when bond proceeds must be escrowed to meet a future call date at an interest rate below the bond's interest rate. The Series 1978 Waterworks Bonds contain a provision that allows them to be called only on an interest payment date after a thirty (30) day call notice. The par amount of those bonds is $11,175,000. The next call date is July 1, 1993, and thus, the next call notice date is June 1, 1993. The bond ordinance must be passed prior to May 20, 1993, to allow for a sale before the June 1, 1993 call notice date and a closing before the July 1, 1993 call date. If this timetable cannot be met, the anticipated savings would be reduced by approximately $95,000.00.

FGIC, the proposed bond insurer, will not deliver its final conditions until May 12, 1993. Therefore, a "shell" ordinance is being introduced May 11, 1993, subject to amendment after the final FGIC conditions are received. Furthermore, a special meeting of Council will be needed May 18, 1993, so that the ordinance, in final form, can be adopted by the Council and signed by the Mayor to allow adequate time to market the bonds to achieve the most favorable rate available.

RESULTS OF NON-PASSAGE: The cumulative Utilities' annual debt service payments from the present to the year 2007 will be approximately $1.3 million higher than if the refinancing package is approved. (Note: Actual amount of savings will depend upon market rate at time of sale.)

DIGEST SHEET

TITLE OF ORDINANCE BOND ORDINANCE

DEPARTMENT REQUESTING ORDINANCE CONTROLLER'S OFFICE

SYNOPSIS OF ORDINANCE 1. AUTHORIZES ISSUANCE OF SERIES 1993 CITY UTILITIES WATERWORKS REFINANCING BONDS;

2. ISSUE SIZE: $26 MILLION;

3. REFINANCES OUTSTANDING SERIES 1967, 1968, 1978, 1982, 1986 AND 1990.

EFFECT OF PASSAGE REFINANCING AUTHORIZED

EFFECT OF NON-PASSAGE REFINANCING NOT AUTHORIZED

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) ISSUANCE COSTS: $317,370 (1.428%) + BOND INSURANCE PREMIUM; ESTIMATED SAVINGS: $912,000 CUMULATIVE; $654,000 TOTAL NET PRESENT VALUE (ACTUAL SAVINGS WILL DEPEND ON MARKET RATE ON DATE OF SALE.)

ASSIGNED TO COMMITTEE (PRESIDENT) ____________________

Bill No. S-93-05-15.

SPECIAL ORDINANCE NO. __________

AN ORDINANCE concerning the issuance of revenue bonds to refund outstanding waterworks bonds of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, and repealing ordinances in conflict therewith.

ADOPTED MAY 18, 1993

TABLE OF CONTENTS

Bill No. O-93-05-15

SPECIAL ORDINANCE NO. _________

AN ORDINANCE concerning the issuance of revenue bonds to refund outstanding waterworks bonds of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, and repealing ordinances in conflict therewith.

WHEREAS, the City of Fort Wayne, Indiana (the "*City*") has established, constructed and financed waterworks, and now owns and operates said waterworks pursuant to I.C. 8-1.5, and other applicable laws; and

WHEREAS, the City has outstanding certain Waterworks Revenue Bonds of 1967 (the "*1967 Bonds*") in the amount of One Million One Hundred Thousand Dollars ($1,100,000) maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the hereinafter described 1968 Bonds and the hereinafter described 1978 Bonds; and

WHEREAS, the City also has outstanding certain Waterworks Revenue Bonds of 1968 (the "*1968 Bonds*") in the amount of One Million Three Hundred Thousand Dollars ($1,300,000) maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the 1967 Bonds and the hereinafter described 1978 Bonds; and

WHEREAS, the City also has outstanding certain Waterworks Revenue Bonds of 1978 (the "*1978 Bonds*") in the amount of Eleven Million One Hundred Seventy-Five Thousand Dollars ($11,175,000) maturing annually over a period ending January 1, 2003 and first callable prior to maturity on July 1, 1993, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the 1967 Bonds and the 1968 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Refunding Bonds of 1982 (the "*1982 Bonds*") in the amount of One Million Ninety Thousand Dollars ($1,090,000) maturing annually over a period ending January 1, 2002, which bonds

constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the hereinafter described 1986 Bonds and the hereinafter described 1990 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Revenue Bonds of 1986 (the "*1986 Bonds*") in the amount of Three Million Four Hundred Sixty-Five Thousand Dollars ($3,465,000) maturing annually over a period ending January 1, 2007 and first callable prior to maturity on January 1, 1997, which bonds constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the 1982 Bonds and the hereinafter described 1990 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Revenue Bonds of 1990 (the "*1990 Bonds*") in the amount of Six Million Eight Hundred Ten Thousand Dollars ($6,810,000), maturing annually over a period ending January 1, 2007 and first callable prior to maturity on January 1, 1998, which bonds constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the 1982 Bonds and the 1986 Bonds (the 1967 Bonds, 1968 Bonds, 1978 Bonds, 1982 Bonds, 1986 Bonds and 1990 Bonds are collectively referred to as the "*Prior Bonds*"); and

WHEREAS, I.C. 5-1-5 authorizes the refunding of the Prior Bonds in order to effect a savings or modify such restrictive covenants as may impede additional financing, by providing for payment of and defeasing the Prior Bonds from proceeds of other bonds; and

WHEREAS, the Common Council of the City of Fort Wayne deems it advisable to issue the refunding bonds authorized by this Ordinance as "City of Fort Wayne, Indiana, Waterworks Refunding Revenue Bonds of 1993" in original principal amount not to exceed ____________________________ ($__________) (the "*1993 Bonds*") for the purpose of providing, together with certain funds

on hand relating to the Prior Bonds, for the payment of (i) the principal amount of the Prior Bonds, (ii) the interest and premium, if any, payable on the Prior Bonds, (iii) the costs of the refunding, and (iv) the costs of issuance of the 1993 Bonds (the "*Refunding*"); and

WHEREAS, the Common Council deems it advisable to escrow certain proceeds of the 1993 Bonds, together with available funds on hand relating to the Prior Bonds, if any, and investment income thereon, pursuant to the terms of a refunding escrow agreement (the "*Escrow Agreement*") to be entered into with Norwest Bank Fort Wayne, N.A., Fort Wayne, Indiana, as escrow agent (the "*Escrow Agent*") to provide for the payments of principal of and interest on the Prior Bonds as such becomes due and payable and at redemption prior to maturity; and

WHEREAS, there is no encumbrance or lien of any kind whatsoever upon the revenues hereby pledged to the payment of the 1993 Bonds, other than the Prior Bonds, and such revenues are not pledged or assigned for any other purpose whatsoever; and

WHEREAS, the Refunding will effect a savings; and

WHEREAS, the Refunding will modernize and modify restrictive covenants that impede additional financing; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the 1993 Bonds have been complied with in accordance with the provisions of I.C. 5-1-5 and I.C. 8-1.5 (together, the "*Act*").

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. Authorization for Bonds. In order to effect a savings, the City shall issue the 1993 Bonds as herein authorized and proceed with the advance refunding of the Prior Bonds which shall be paid or redeemed in accord with the Escrow Agreement. The terms "*waterworks*," "*works*," and other like terms where used in this Ordinance shall be construed to mean and include all structures and property of the City's water utility.

SECTION 2. General Terms of Bonds. The City shall issue its waterworks refunding revenue bonds in an amount not to exceed ______________________________ ($__________________), to be designated "Waterworks Refunding Revenue Bonds of 1993," for the purpose of procuring funds to apply to the cost of the Refunding. Such 1993 Bonds shall be signed in the name of the City by manual or facsimile signatures of the Mayor of the City (the "*Mayor*") and Controller of the City (the "*Controller*") and attested by the

manual or facsimile signature of the Clerk of the City (the "*Clerk*"), who shall affix the seal of the City to each of the 1993 Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or other means. In case any officer whose signature appears on the 1993 Bonds shall cease to be such officer before the delivery of such 1993 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery thereof. The 1993 Bonds shall also be authenticated by the manual signature of the Registrar (as defined below).

The 1993 Bonds shall be sold at a price not less than 98.6% of the par value thereof (exclusive of original issue discount), shall be issued in fully registered form in denominations of Five Thousand Dollars ($5,000) or any integral multiple thereof, shall be numbered consecutively from 1 up, shall be originally dated as of the first day of the month in which the 1993 Bonds are sold or as otherwise determined by the Controller, and shall bear interest at a rate or rates not exceeding seven percent (7%) per annum (the exact rate or rates to be determined by negotiation) payable on the first (1st) day of June and December in each year, beginning on December 1, 1993. The 1993 Bonds shall mature serially on December 1 in the years and substantially in accord with the schedule set forth on Exhibit A, with such changes thereto as are approved by the Controller.

All payments of interest on the 1993 Bonds shall be paid by check or draft mailed one business day prior to the interest payment date to the registered owners thereof as of the last day of the month preceding the interest payment date at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent (as defined below) in writing by such registered owner. All principal payments and premium, if any, on the 1993 Bonds shall be made upon surrender thereof at the principal corporate trust office of the Paying Agent in any coin or currency of the United States of America which on the date of such payment shall be legal tender for the payment of public and private debts.

Interest on 1993 Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date thereof unless such 1993 Bonds are authenticated after the fifteenth (15th) day of the month preceding an interest payment date and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless authenticated on or before the fifteenth (15th) day of the month immediately preceding the first interest payment date, in which case they shall bear interest from the original date, until the principal shall be fully paid.

The 1993 Bonds and any bonds ranking on a parity therewith, as to principal, premium and interest, shall be payable from and are hereby secured by an irrevocable pledge of and shall constitute a charge upon all the net revenues, herein defined as the gross revenues of the waterworks after deduction only for payment of the reasonable expenses of operation, repair and maintenance but not including depreciation and payments in lieu of taxes (the "*net revenues*"), of the waterworks of the City, which bonds constitute a first charge on said net revenues. The City shall not be obligated to pay said bonds or the interest or premium, if any, thereon except from the net revenues of the works, and said bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Any 1993 Bonds issued under this Ordinance may be initially issued in temporary form exchangeable for definitive bonds. The temporary bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Controller, shall be in fully registered form and may contain

such reference to any of the provisions of this Ordinance as may be appropriate. If temporary bonds are issued, definitive bonds will be executed and furnished without delay and thereupon the temporary bonds shall be surrendered for cancellation at the principal corporate trust office of the Registrar and the Registrar shall deliver in exchange for such temporary bonds an equal aggregate principal amount of definitive bonds of the same interest rates and maturities. Until so exchanged, the temporary bonds shall be entitled to the same benefits under this Ordinance as definitive bonds issued hereunder.

Each 1993 Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose by the Registrar, by the registered owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such 1993 Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the City. The City, Registrar and Paying Agent may treat and consider the persons in whose name such 1993 Bonds are registered as the absolute owners thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest and premium, if any, due thereon.

In the event any 1993 Bond is mutilated, lost, stolen or destroyed, the City may execute and the Registrar may authenticate a new bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new bond shall be marked in a manner to distinguish it from the bond for which it was issued, provided that, in the case of any mutilated bond, such mutilated bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them. In the event any such bond shall have matured, instead of issuing a duplicate bond, the City and the Registrar may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The City and the Registrar may charge the owner of such 1993 Bond with their reasonable fees and expenses in this connection. Any bond issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the City, whether or not the lost, stolen or destroyed 1993 Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other 1993 Bonds issued hereunder.

SECTION 3. Terms of Redemption. The 1993 Bonds maturing on or after December 1, 2002 are redeemable prior to maturity at the option of the City on December 1, 2001 or any date thereafter, on thirty (30) days' notice, in whole or in part, in any order of maturities selected by the City and by lot within a maturity, at 100% of face value, but without premium, plus accrued interest to the date fixed for redemption.

Notice of such redemption shall be mailed by first-class mail or by registered or certified mail to the address of each registered owner as shown on the registration record of the City not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption except to extent such redemption notice is waived by the owners of 1993 Bonds redeemed, provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any 1993 Bond shall not affect the validity of any proceedings for the redemption of any other 1993 Bonds. The notice shall specify the date and place of redemption, the redemption price and the CUSIP numbers of the 1993

Bonds called for redemption. The place of redemption may be determined by the City. Interest on the 1993 Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such 1993 Bonds shall no longer be protected by this Ordinance and shall not be deemed to be outstanding hereunder, and the holders thereof shall have the right only to receive the redemption price.

All 1993 Bonds which have been redeemed shall be cancelled and shall not be reissued; provided, however, that one or more new registered bonds shall be issued for the unredeemed portion of any 1993 Bond without charge to the holder thereof.

Prior to the date fixed for redemption, funds shall be deposited with the Paying Agent to pay, and the Paying Agent is hereby authorized and directed to apply such funds to the payment of, the 1993 Bonds or portions thereof called for redemption, including accrued interest thereon to the redemption date. No payment shall be made by the Paying Agent upon any 1993 Bond or portion thereof called for redemption until such bond shall have been delivered for payment or cancellation or the Registrar shall have received the items required by this Ordinance with respect to any mutilated, lost, stolen or destroyed bond.

SECTION 4. Appointment of Registrar and Paying Agent. Norwest Bank Fort Wayne, N.A., in Fort Wayne, Indiana is hereby appointed to serve as registrar and paying agent for the 1993 Bonds ("*Registrar*" or "*Paying Agent*"). The Registrar is hereby charged with the responsibility of authenticating the 1993 Bonds, and shall keep and maintain at its principal corporate trust office books for the registration and transfer of the 1993 Bonds. The Mayor is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of the Registrar and Paying Agent. The Controller is authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid as fiscal agency charges from the Waterworks Sinking Fund described herein to pay the principal of and interest on the 1993 Bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving thirty (30) days written notice to the City and by first-class mail to each registered owner of the 1993 Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the City. Such notice to the City may be served personally or be sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor Registrar and Paying Agent. The City shall notify each registered owner of the 1993 Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of the 1993 Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the bond register. Any predecessor Registrar and Paying Agent shall deliver all the 1993 Bonds and cash in its possession and the bond register to the successor Registrar and Paying Agent. At all times, the same entity shall serve as Registrar and as Paying Agent.

The provisions of this Section 4 are subject to the provisions of Section 22(h) to the extent Section 22(h) is applicable.

SECTION 5. Form of Bonds; Book-Entry Bonds. The form and tenor of the 1993 Bonds, shall be substantially as follows, all blanks to be filled in properly prior to delivery thereof:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF ALLEN

CITY OF FORT WAYNE
WATERWORKS REFUNDING REVENUE BOND OF 1993

Interest Rate	Maturity Date	Original Date	Authentication Date	CUSIP

Registered Owner:

Principal Sum:

The City of Fort Wayne, in Allen County, State of Indiana, for value received, hereby promises to pay to the Registered Owner set forth above, solely out of the special fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Sum shall be fully paid at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case interest shall be paid from such interest payment date, or unless this bond is authenticated on or before November 15, 1993 in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of June and December of each year, beginning on December 1, 1993.

The principal of this bond is payable at the principal corporate trust office of Norwest Bank Fort Wayne, N.A., (the "Registrar" or "Paying Agent"), in Fort Wayne, Indiana. All payments of interest on this bond shall be paid by check or draft mailed one business day prior to the interest payment date to the registered owner hereof as of the fifteenth day of the month preceding the interest payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments of principal of this bond shall be made upon surrender thereof at the principal corporate trust office of the Paying Agent in any coin or currency of the United States of America which on the dates of such payment shall be legal tender for the payment of public and private debts.

This bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the City shall not be obligated to pay this bond or the interest thereon except from the special fund provided from the net revenues of the City's waterworks utility.

The terms and provisions of this bond are continued on the reverse side hereof and such terms and provisions

shall for all purposes have the same effect as though fully set forth at this place.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the City of Fort Wayne, in Allen County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signatures of the Mayor and Controller, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its City Clerk.

CITY OF FORT WAYNE, INDIANA

(SEAL OF CITY) By ______________________________
Mayor

By ______________________________
Controller

ATTEST:

____
City Clerk

(Form of Registrar's Certificate of Authentication)

It is hereby certified that this bond is one of the bonds described in the within-mentioned Ordinance duly authenticated by the Registrar.

NORWEST BANK FORT WAYNE, N.A.,
as Registrar

By ______________________________
Authorized Representative

(To be printed on Reverse Side)

This bond is one of an authorized issue of bonds of the City of Fort Wayne, of like original date, tenor and effect, except as to denomination, numbering, interest rates, redemption terms and dates of maturity, in the total amount of ______________________________ Dollars ($________), numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of refunding the City's Waterworks Revenue Bonds of 1967, Waterworks Revenue Bonds of 1968, Waterworks Revenue Bonds of 1978, Junior Waterworks Refunding Bonds of 1982, Junior Waterworks Revenue Bonds of 1986 and Junior Waterworks Revenue Bonds of 1990 and to pay incidental expenses, as authorized by Ordinance No. _______ adopted by the Common Council of the City of Fort Wayne on the 18th day of May, 1993, entitled "AN ORDINANCE concerning the issuance of revenue bonds to refund outstanding waterworks bonds of

the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, and repealing ordinances in conflict therewith" (the "Ordinance"), and in strict compliance with the provisions of I.C. 5-1-5 and I.C. 8-1.5 and other applicable laws, as amended (collectively, the "Act").

Pursuant to the provisions of the Act and said Ordinance, the principal and interest of this bond and all other bonds of said issue and any bonds hereafter issued on a parity therewith are payable solely from the Waterworks Sinking Fund to be provided from the net revenues (defined as the gross revenues of the waterworks of the City after deduction only for the payment of the reasonable expenses of operation, repair and maintenance but not including depreciation and payments in lieu of taxes). This bond and the issue of which it is a part, together with any parity bonds hereafter issued, constitute a first charge against said net revenues.

The City of Fort Wayne irrevocably pledges the entire net revenues of said waterworks to the prompt payment of the principal of and interest on the bonds authorized by the Ordinance, of which this is one, and any bonds ranking on a parity therewith, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works and for the payment of the sums required to be paid into said Waterworks Sinking Fund under the provisions of the Ordinance. In the event the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for under Indiana law.

The City of Fort Wayne further covenants that it will set aside and pay into its Waterworks Sinking Fund a sufficient amount of the net revenues of said works to (a) pay the principal and interest payments on all bonds payable from the net revenues of the waterworks, as such principal and interest shall fall due, and (b) pay the necessary fiscal agency charges for paying all bonds and interest as required by the Ordinance. Such required payments shall constitute a first charge upon all the net revenues of said works.

The bonds of this issue maturing on or after December 1, 2002 are redeemable at the option of the City on December 1, 2001 or any date thereafter, on thirty (30) days' notice, in whole or in part, in any order of maturities selected by the City and by lot within a maturity, at 100% of face value, but without premium, plus accrued interest to the date fixed for redemption.

Notice of such redemption shall be mailed by first-class mail or by registered or certified mail not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption to the address of the Registered Owner as shown on the registration record of the City except to the extent such redemption notice is waived by the owners of the bond or bonds redeemed, provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any bond

shall not affect the validity of any proceedings for the redemption of any other bonds. The notice shall specify the date and place of redemption, the redemption price and the CUSIP numbers of the bonds called for redemption. The place of redemption may be determined by the City. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such bonds shall no longer be protected by the Ordinance and shall not be deemed to be outstanding thereunder, and the holders thereof shall have the right only to receive the redemption price.

If this bond shall not be presented for payment on the date fixed therefor, the City may deposit in trust with the Paying Agent or another financial institution approved by the City, an amount sufficient to pay such bond, and thereafter the Registered Owner shall look only to the funds so deposited in trust with said financial institution for payment and the City shall have no further obligation or liability in respect thereto.

This bond is subject to defeasance prior to payment as provided in the Ordinance and the owner of this bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Ordinance.

This bond is transferable or exchangeable only upon the books of the City kept for that purpose at the office of the Registrar by the Registered Owner in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. The City, any registrar and any paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

The bonds maturing in any one year are issuable only in fully registered form in the denomination of $5,000 or any integral multiple thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

STATEMENT OF INSURANCE

Financial Guaranty Insurance Company ("Financial Guaranty") has issued a policy containing the following provisions with respect to this bond and all other bonds of this issue, such policy being on file at the principal office of the Paying Agent:

Financial Guaranty hereby unconditionally and irrevocably agrees to pay for disbursement to the bondholders that portion of the principal of and interest on the bonds which is then due for payment and which the City shall have failed to provide. Due for payment means, with respect to the principal, the stated maturity date thereof and does not refer to any earlier date on which the payment of principal of the bonds is due by reason of call for redemption, acceleration or other

advancement of maturity, and with respect to interest, the stated date for payment of such interest.

Upon receipt of telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a bondholder or the Paying Agent to Financial Guaranty that the required payment of principal or interest has not been made by the City to the Paying Agent, Financial Guaranty on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with Citibank, N.A., or its successor as its agent (the "Fiscal Agent"), sufficient to make

the portion of such payment not paid by the City. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the bondholder's right to receive such payment and any appropriate instruments of assignment required to vest all of such bondholder's right to such payment in Financial Guaranty, the Fiscal Agent will disburse such amount to the bondholder.

As used herein the term "bondholder" means the person other than the City who at the time of nonpayment of a bond is entitled under the terms of such bond to payment thereof.

The policy is non-cancellable for any reason.

FINANCIAL GUARANTY INSURANCE COMPANY

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto ______________________________ (Please Print or Typewrite Name and Address) $__________ ____________________ principal amount (must be a multiple of $5,000) of the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints ____________________________________, attorney to transfer the within bond on the books kept for the registration thereof with full power of substitution in the premises.

____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

(End of Bond Form)

The 1993 Bonds shall initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central

depository system appointed by the City from time to time (the "*Clearing Agency*"), without physical distribution of bonds to the public. One definitive 1993 Bond of each maturity shall be delivered to the Clearing Agency and held in its custody. The City and the Registrar and Paying Agent may, in connection herewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the 1993 Bonds as are necessary or appropriate to accomplish or recognize such book-entry form 1993 Bonds.

So long as the 1993 Bonds remain and are held in book-entry form on the books of a Clearing Agency, then (1) any such 1993 Bond may be registered upon the books kept by the Registrar in the name of such Clearing Agency, or any nominee thereof, including CEDE & Co., as nominee of The Depository Trust Company; (2) the Clearing Agency in whose name such 1993 Bond is so registered shall be, and the City and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such 1993 Bond for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of, premium, if any, and interest on such 1993 Bond, the receiving of notice and giving of consent; (3) neither the City nor the Registrar and Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any 1993 Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any 1993 Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal of, premium, if any, or interest on any 1993 Bonds, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any 1993 Bond called for partial redemption prior to receiving payment so long as the Registrar and the Clearing Agency have agreed to the method for noting such partial redemption.

If the City receives notice from the Clearing Agency which is currently the registered owner of the 1993 Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the 1993 Bonds or the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the 1993 Bonds, then the City and Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the 1993 Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the 1993 Bonds and to transfer the ownership of each of the 1993 Bonds to such person or persons, including any other Clearing Agency, as the holders of the 1993 Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the 1993 Bonds, shall be paid by the City.

So long as the 1993 Bonds remain and are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of 1993 Bonds as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered owner of a 1993 Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the 1993 Bonds as the bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Ordinance.

So long as the 1993 Bonds remain and are held in book-entry form on the books of The Depository Trust Company, the provisions of its standard form of Letter of Representations, if executed in connection with the issuance of the 1993 Bonds, as amended and supplemented, or any successor agreement shall control on the matters set forth herein. The Registrar, by accepting the duties of Registrar under this Ordinance, agrees that it will undertake the duties of "Agent" set forth therein and that those duties to be undertaken by either the "Agent" or the "Issuer" in paragraphs 2, 3, 4 and 12 thereof shall be the responsibility of the Registrar. Further, so long as the 1993 Bonds remain and are held in book-entry form, the provisions of Section 5 of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

SECTION 6. Sale of Bonds. The Controller is hereby authorized and directed to have the 1993 Bonds prepared, and the Mayor, Controller and Clerk are hereby authorized and directed to execute the 1993 Bonds in substantially the form and the manner herein provided. The Controller is hereby authorized and directed to deliver the 1993 Bonds to the purchaser; thereupon, the Controller shall be authorized to receive from the purchaser the purchase price and take the purchaser's receipt for the 1993 Bonds. The amount to be collected by the Controller shall be the full amount which the purchaser has agreed to pay therefor, which shall be not less than 98.6% of the face value of the 1993 Bonds (exclusive of original issue discount) plus accrued interest to the date of delivery.

The Mayor is authorized to enter into a bond purchase contract in customary form with First Chicago Capital Markets, Inc., as bond purchaser, on behalf of the City. The entry by the City into the purchase contract and the execution of the purchase contract on behalf of the City by the Mayor in accordance with this Ordinance are hereby authorized and approved.

The 1993 Bonds, when fully paid for and delivered to the purchasers, shall be the binding special revenue obligations of the City, payable out of the net revenues of the City's waterworks to be set aside into the Sinking Fund as herein provided.

The opinion of Barnes & Thornburg, bond counsel, approving the legality of the 1993 Bonds, will be furnished to the purchasers at the expense of the City.

SECTION 7. Use of Bond Proceeds. The proceeds derived from the sale of the 1993 Bonds shall be and are hereby set aside for application on the cost of the Refunding.

The proceeds of the 1993 Bonds plus moneys on hand in connection with the Prior Bonds and which are available, if any, together with investment earnings thereon, to carry out the refunding of the Prior Bonds shall be deposited in escrow pursuant to the Escrow Agreement. The balance of the proceeds of the 1993 Bonds shall be used to pay costs of issuance of the 1993 Bonds and other incidental expenses. Accrued interest to the date of delivery shall be deposited in the Debt Service Account of the Sinking Fund described below and used to pay interest on the 1993 Bonds on the first interest payment date.

SECTION 8. Approval of Escrow Agreement. The Escrow Agreement shall be in substantially the form attached hereto as Exhibit B, with such changes therein as the Mayor approves as evidenced by his signature thereon. The moneys deposited pursuant to the Escrow Agreement to carry out the Refunding shall be held as cash or invested in direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, and shall be irrevocably set aside and pledged for such purpose. The Mayor is hereby authorized to enter into the Escrow Agreement and the Controller is hereby

authorized to pay the charges for the services of the Escrow Agent. The entry by the City into the Escrow Agreement and the execution of the Escrow Agreement on behalf of the City, and the taking of such other action and the execution of such other instruments as are necessary to effect the Refunding, by the Mayor, Controller and Clerk in accordance with this Ordinance, are hereby authorized, approved and ratified. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things may be necessary to carry out the provisions of this Ordinance. First Chicago Capital Markets, Inc. is hereby authorized to take such actions as it deems appropriate with the approval of the Controller to carry out the Refunding if finally consummated, including the execution of documents necessary to make subscription to acquire appropriate securities to be held under the Escrow Agreement.

SECTION 9. Collection of Revenues; Funding Operation, Repair and Maintenance. There shall be set apart and paid out of the gross revenues of the works into a cash operating fund which is hereby created and designated as the Waterworks Operation and Maintenance Fund (the "*Operation and Maintenance Fund*") an amount necessary and sufficient to pay the monthly costs of operating, repairing and maintaining said waterworks. The moneys credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the waterworks on a day-to-day basis, but none of the moneys in the Operation and Maintenance Fund shall be used for extensions, improvements, or additions. Any balance in the Operation and Maintenance Fund may be transferred to the Sinking Fund if necessary to prevent a default in payment on the then outstanding 1993 Bonds.

SECTION 10. Sinking Fund for Bonds. The Waterworks Sinking Fund (the "*Sinking Fund*") is hereby created and designated and constituted as the special fund for the payment of the 1993 Bonds. The Sinking Fund shall be divided into two accounts hereby designated as the Waterworks Debt Service Account (the "*Debt Service Account*") and the Waterworks Reserve Account (the "*Reserve Account*").

There shall be set aside from the gross revenues of the works, after first making the required payments into the Operation and Maintenance Fund, and paid into the Debt Service Account of the Sinking Fund monthly, as available, a sufficient amount of the net revenues of the waterworks for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of said waterworks, as such interest shall fall due, (b) the necessary fiscal agency charges for paying such bonds and interest, and (c) the principal of all bonds payable from the revenues of the waterworks, as such principal shall fall due. The monthly payments into said Debt Service Account shall be in an amount equal to at least one-sixth (1/6th) of the amount required for interest during the next succeeding six (6) calendar months and an amount equal to one-twelfth (1/12th) of the amount required for payments during the next succeeding twelve (12) calendar months for the hereinabove described purposes other than interest payments.

There shall be held in said Reserve Account an amount which equals the following with respect to the 1993 Bonds and any additional bonds subsequently issued on a parity with the 1993 Bonds (the "*Reserve Requirement*"): the lesser of 10% of the proceeds thereof, the maximum annual principal and interest requirements thereon, or 125% of the average annual principal and interest requirements thereon. The Reserve Requirement is hereby determined to be reasonable. All money in the Reserve Account shall be used and withdrawn by the City solely for the purpose of making payment on bonds payable from the revenues of the waterworks to the extent that available moneys in the Debt Service Account are insufficient for such purpose, or to make the final payments on such bonds when money in the Reserve Account, together with other

money held in the Sinking Fund, is sufficient to make all remaining payments to final maturity, provided, notwithstanding the foregoing, amounts in the Reserve Account in excess of the Reserve Requirement shall be transferred from time to time to the Debt Service Account and thereupon applied to the required payments into the Debt Service Account as provided in the preceding paragraph. In the event moneys held in the Reserve Account are used to pay principal of and interest on bonds payable from the revenues of the waterworks, then such depletion of said Reserve Account to an amount less than the Reserve Requirement shall be made up from available net revenues within twelve (12) months from substantially equal monthly deposits, after required deposits to the Debt Service Account, to restore the balance of the Reserve Account to an amount equal to the Reserve Requirement.

Amounts held on the date of issuance of the 1993 Bonds in the reserve account for the Prior Bonds shall be credited to the Reserve Account and applied toward the Reserve Requirement, and the remaining amounts then in the reserve account for the Prior Bonds shall be credited to the Debt Service Account or deposited to the Escrow Account under the Escrow Agreement, as directed by bond counsel.

To the extent applicable, the requirements of Section 22(d) with respect to the Reserve Account shall be satisfied.

In no event shall any part of the Sinking Fund be used in calling bonds for redemption prior to maturity except to the extent that the amount then in the Debt Service Account of the Sinking Fund exceeds the amount required to pay the bonds which will mature within a period of twelve (12) calendar months next following the date of such redemption, together with all interest on the bonds payable in said period. Any such excess of funds above said required level may also be used in purchasing outstanding bonds at a price less than the then applicable redemption price, if first approved by the Common Council. Moneys in the Sinking Fund shall not be used for any purpose whatsoever except as stated in this section.

SECTION 11. Funding Improvements to the Works and Payments in Lieu of Taxes. Any excess revenues of the waterworks available after making the deposits required by Sections 9 and 10 may be set aside and paid into the special utility fund which is hereby created and designated as the Waterworks Depreciation Fund (the "*Depreciation Fund*"), and be used to pay the cost of additions, improvements and extensions to the waterworks. No revenues of the waterworks shall be deposited in or credited to the Waterworks Depreciation Fund which will interfere with the requirements of the Sinking Fund.

To the extent applicable, the requirements of Section 22(d) with respect to the Depreciation Fund shall be satisfied.

In the event of any deficiency at any time in the Operation and Maintenance Fund or the Sinking Fund, funds may be withdrawn from the Depreciation Fund for deposit into said Debt Service Account of the Sinking Fund in the amount of such deficiency.

In the event that all required payments into the Sinking Fund have been met to date, and the City is not in default of its obligations with respect to the Depreciation Fund as set forth in this Section 11, then any excess net revenues of the waterworks shall be placed monthly as available in the fund which is hereby created and designated as the Waterworks Tax Fund (the "*Tax Fund*") to the extent necessary to provide for the payment of assessed taxes or payments in lieu of taxes on the next date such amounts are to be paid. Payments in lieu of taxes shall be made not more frequently than semiannually on or about June 30 and December 31.

SECTION 12. Investments. The moneys in any of such funds or accounts shall be invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, and in accordance with the arbitrage certificate delivered at the time of delivery of any bonds payable from such funds and accounts. Investments of amounts held in the Reserve Account shall have a term to maturity of not greater than ten (10) years.

All revenues derived from the operation of the waterworks and from the collection of water rates and charges and from the investment of moneys in the funds herein created shall be segregated and kept separate and apart from all other funds and accounts of the City. No moneys derived from the revenues of the waterworks (including investment income) shall be transferred to the general fund of the City or be used for any purpose not connected with the waterworks if such transfer or use would interfere with the flow of funds set forth herein.

Investment income from such funds and accounts shall, except as otherwise provided herein, be treated as revenues of the waterworks, and shall be used as provided in this Ordinance.

SECTION 13. Books and Records. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and deposited in said funds, all disbursements made therefrom on account of the operation of the works and to meet the requirements of the Sinking Fund, and all other transactions relating to said works, including the cash balances in each of the funds and accounts described herein as of the close of the preceding fiscal year. Upon written request, there shall be prepared and furnished to the original purchasers of the 1993 Bonds and to any subsequent owner of the bonds at the time then outstanding, not more than four (4) months after the close of each fiscal year, operating income and expense and balance sheet statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the Controller, or the person charged with the duty of auditing the books and records relating to the works, or such statements may be prepared by an independent certified public accountant retained by the City for the purpose of preparing such statements. Copies of all such statements and reports shall be kept on file in the office of the Controller. Any owner or owners of the 1993 Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

SECTION 14. Rate Covenant. The City shall, to the fullest extent permitted by law, establish, maintain and collect just and equitable rates and charges for the use of and the services rendered by said waterworks, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said waterworks by or through any part of the water system of the City, or that in any way uses or is served by such works. Such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, for depreciation and improvement, and for the payment of the sums required to be paid into the Sinking Fund. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, depreciation and improvement, and the requirements of the Sinking Fund. The reasonable value of any facility or service rendered to the City, or to any department, agency or instrumentality thereof, including the use of water for hydrants for fire protection or for any other purpose, shall be charged against the City and shall be paid for as the charges accrue, and the payments so received shall be deemed to be earnings

derived from the operation of the waterworks and shall be used and accounted for in the same manner as other earnings derived from the operation of the waterworks. In no event shall the annual gross revenues of the waterworks after payment of the expenses of operation, repair and maintenance (but not including depreciation and payments in lieu of taxes) be less than one hundred and twenty percent (120%) of the annual interest and principal requirements of the 1993 Bonds and any additional bonds issued pursuant to Section 16 hereof.

SECTION 15. Defeasance. If, when the 1993 Bonds or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the 1993 Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest so due and payable upon all of such bonds or any portion thereof then outstanding shall be paid, or (i) cash, or (ii) direct non-callable obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, and to the extent permitted by Indiana law, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by Standard & Poor's Corporation or Aaa by Moody's Investors Service (or any combination thereof), the principal of and the interest on which when due without reinvestment will provide sufficient moneys, or (iii) any combination of the foregoing, shall be held irrevocably in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the 1993 Bonds or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the net revenues of the City's waterworks.

SECTION 16. Additional Bonds. The City reserves the right to authorize and issue additional bonds, payable out of the revenues of its waterworks, ranking on a parity with the 1993 Bonds for the purpose of financing the cost of future additions, extensions and improvements to the waterworks or to provide for a complete or partial refunding of the 1993 Bonds or other bonds payable out of the revenues of the waterworks, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the waterworks shall have been paid to date in accordance with the terms thereof, provided, this condition shall be deemed satisfied if any required amount is to be provided from the proceeds of the parity bonds or other funds of the City.

(b) All required deposits to the Sinking Fund shall have been made to date, and, as of the time of issuance of the additional parity bonds, the balance in the Reserve Account shall be at least equal to the Reserve Requirement for the 1993 Bonds, provided, this condition shall be deemed satisfied if any required amount is to be provided from the proceeds of the newly issued parity bonds or other funds of the City, and furthermore, the ordinance authorizing the proposed additional parity bonds must include a provision requiring the City to build the balance in the Reserve Account to an amount equal to the Reserve Requirement for the 1993 Bonds and the proposed additional parity bonds (unless the Reserve Account is fully funded at such level as of the time of issuance of the additional parity bonds) from available net revenues within twelve (12) months from substantially equal monthly deposits after required deposits to the Debt Service Account.

(c) The net operating revenues of the waterworks in the fiscal year immediately preceding the issuance of any additional bonds ranking on a parity with the 1993 Bonds shall be not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the water rates and charges shall be increased or the service area or customer base shall be expanded sufficiently so that said increased rates and charges and/or volume applied to the previous fiscal year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the waterworks shall be analyzed and all showings shall be prepared by a certified public accountant or independent financial advisor employed by the City for that purpose.

(d) The principal of the additional parity bonds shall be payable annually on December 1 and the interest shall be payable semiannually on June 1 and December 1 during the periods in which principal and interest are payable.

(e) To the extent applicable, the requirements of Section 22(f) shall be satisfied.

SECTION 17. Additional Covenants of the City. For the purpose of further safeguarding the interests of the holders of the 1993 Bonds, it is specifically provided as follows:

(a) The City shall at all times maintain its waterworks in good condition and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the 1993 Bonds are outstanding, the City shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. In addition to or in lieu of the foregoing, the City may provide for coverage on all or part of the works comparable to that described above through a self-insurance program. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as net revenues of the works.

(c) So long as any of the 1993 Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete or other property not required for proper operation and maintenance of the works.

(d) Except as provided in Section 16 hereof, so long as any of the 1993 Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the waterworks shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the 1993 Bonds, unless all of the 1993 Bonds are redeemed, retired, or defeased coincidentally with the delivery of such additional bonds or other obligations.

(e) This Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of any 1993 Bonds, nor shall the Common Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said bonds or the interest thereon remain unpaid.

(f) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the 1993 Bonds for the uses and purposes herein set forth. The provisions of this Ordinance shall also be construed to create a trust in the portion of the net revenues herein directed to be set apart and paid into the Sinking Fund and for the uses and purposes of said Fund as set forth in this Ordinance. The owners of the 1993 Bonds shall have all of the rights, remedies and privileges set forth under the Act in the event of default in the payment of the principal of or interest on any of the 1993 Bonds or in the event of default with respect to any of the provisions of this Ordinance or the Act.

SECTION 18. Tax Covenants. In order to preserve the exclusion of interest on the 1993 Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the 1993 Bonds, the City represents, covenants and agrees that:

(a) No person or entity, other than the City or another state or local governmental unit, will use proceeds of the 1993 Bonds or property financed by the 1993 Bond proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by 1993 Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract, or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No 1993 Bond proceeds will be loaned to any entity or person other than a state or local governmental unit. No 1993 Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a non-governmental person in any manner that would in substance constitute a loan of the 1993 Bond proceeds.

(c) The City will not take any action or fail to take any action with respect to the 1993 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 1993 Bonds pursuant to Section 103 of the Internal Revenue Code of 1986 as in effect on the date of issuance of the 1993 Bonds (the "Code"), including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on 1993 Bond proceeds or other monies treated as 1993 Bond proceeds to the federal government as provided in Section 148 of the Code, and will set aside such monies, which may be paid from investment income on funds and accounts, in trust for such purposes.

(d) The City will file an information report Form 8038-G with the Internal Revenue Service as required by Section 149 of the Code.

(e) The City will not make any investment or do any other act or thing during the period that any 1993 Bond

is outstanding hereunder which would cause any 1993 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of the 1993 Bonds.

The City will not take any action or fail to take any action with respect to the 1993 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 1993 Bonds pursuant to Section 103(a) of the Code, and the City will not act in any manner which would adversely affect such exclusion.

Notwithstanding any other provisions of this Ordinance, the foregoing covenants and authorizations (the "*Tax Sections*") which are designed to preserve the exclusion of interest on the 1993 Bonds from gross income under federal income tax law (the "*Tax Exemption*") need not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

SECTION 19. Amendments. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the 1993 Bonds then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest or premium, if any, on any 1993 Bond or an advancement of the earliest redemption date on any 1993 Bond; or

(b) A reduction in the principal amount of any 1993 Bond or the redemption premium or the rate of interest thereon, or a change in the monetary medium in which such amounts are payable; or

(c) The creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by this Ordinance; or

(d) A preference or priority of any 1993 Bond or Bonds over any other 1993 Bond or Bonds; or

(e) A reduction in the aggregate principal amount of the 1993 Bonds required for consent to such supplemental ordinance.

If the City shall desire to obtain any such consent, it shall cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the registration books held by the Registrar. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Registrar for inspection by all owners of the 1993 Bonds. The Registrar shall not, however, be subject to any liability to any owners of the 1993 Bonds by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental ordinance when consented to and approved as herein provided.

Whenever at any time within one year after the date of the mailing of such notice, the City shall receive any instrument or instruments purporting to be executed by the owners of the 1993

Bonds of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the 1993 Bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental ordinance described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar, thereupon, but not otherwise, the City may adopt such supplemental ordinance in substantially such form, without liability or responsibility to any owners of the 1993 Bonds, whether or not such owners shall have consented thereto.

No owner of any 1993 Bond shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of 1993 Bonds then outstanding, shall thereafter be determined exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the 1993 Bonds, and the terms and provisions of the 1993 Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the 1993 Bonds then outstanding.

Without notice to or consent of the owners of the 1993 Bonds, the City may, from time to time and at any time, adopt such ordinances supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental ordinances shall thereafter form a part hereof),

(a) to cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance; or

(b) to grant to or confer upon the owners of the 1993 Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the 1993 Bonds; or

(c) to procure a rating on the 1993 Bonds from a nationally recognized securities rating agency designated in such supplemental ordinance, if such supplemental ordinance will not adversely effect the owners of the 1993 Bonds; or

(d) to make any other change which is not to the prejudice of the owners of the 1993 Bonds; or

(e) to provide for the refunding or advance refunding of the 1993 Bonds.

To the extent applicable, any supplemental ordinance shall be subject to the requirements of Section 22(b).

SECTION 20. Defaults. In the event available moneys hereunder, subject to the restrictions on use of money held under this Ordinance as set forth herein, are insufficient to pay debt service on all bonds payable from the revenues of the waterworks when due, available moneys shall be applied, after payment of all costs and expenses associated therewith, to the 1993 Bonds and any

additional bonds issued in accord with Section 16 hereof (together, "*Parity Bonds*") as follows:

First - To the payment to the persons entitled thereto of all installments of interest then due, including interest on any past due principal at the rate borne by such bond, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to such payment ratably, according to the amounts due on such installments, to the persons entitled thereto, without any discrimination or privilege; and

Second - To the payment to the persons entitled thereto of the unpaid principal of and premium on any of such bonds which shall have become due either at maturity or pursuant to a call for redemption (other than bonds called for redemption for the payment of which other moneys are held), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the amounts due on any particular date, then to such payment ratably, according to the amount due on such date, to the persons entitled thereto without any discrimination or privilege.

During the continuance of any default in the payment of either principal of or interest or premium on any 1993 Bond or other Parity Bond, no payment shall be made with respect to any subordinate and junior bonds issued in accord with Section 17(d) hereof ("*Junior Bonds*"). Moneys available for payment to holders of Junior Bonds shall, in the event of an insufficient amount being available to pay all debt service with respect to the Junior Bonds when due, be applied to the Junior Bonds in accordance with the sequence and other terms set forth above with respect to payments regarding Parity Bonds unless otherwise provided in the ordinance authorizing the Junior Bonds.

SECTION 21. Approval of Official Statement. The distribution of the preliminary official statement with respect to the 1993 Bonds, substantially in the form presented to this meeting, with such changes and modifications as may be authorized by the Mayor, as evidenced by his signature thereon, is hereby authorized, approved and ratified, and this Council hereby deems final said official statement, as of its date, in accordance with the provisions of Rule 15c2-12 of the Securities and Exchange Commission, subject to completion as permitted by said Rule, and the Common Council further authorizes the distribution of the deemed final official statement, and the execution, delivery and distribution of such document as further modified and amended in the form of a final official statement.

SECTION 22. Provisions Regarding Bond Insurance. The provisions of this Section shall apply with respect to any 1993 Bonds owned or insured by the Bond Insurer (as defined below) except to the extent waived in writing by the Bond Insurer.

(a) Definitions. The terms:

"*Bond Insurer*" shall mean Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

"*Bond Insurance Policy*" shall mean the municipal bond new issue insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the 1993 Bonds.

(b) Consent of Bond Insurer to Amendments Required. Any amendment or supplement to this Ordinance shall be

subject to the prior written consent of the Bond Insurer. Any rating agency rating the 1993 Bonds must receive notice of each amendment or supplement and a copy thereof at least fifteen (15) days in advance of its execution or adoption.

(c) Notices. The City shall furnish to the Bond Insurer:

(1) Within 120 days after the end of the City's fiscal year, budget for the new year; latest annual audited financial statements; a statement of the amount on deposit in the Reserve Account as of the last valuation (as described in (d) below); if not presented in the audited financial statements, a statement of the net revenues pledged to payment of 1993 Bonds in such fiscal year; the number of system users as of the end of the fiscal year; notification of the withdrawal of any system user comprising 4% or more of system sales measured in terms of revenue dollars since the last reporting date; and any significant plant retirements or expansions planned or undertaken since the last reporting date;

(2) Official statement or other disclosure, if any, prepared in connection with the issuance of additional bonds, whether or not issued on a parity with the 1993 Bonds, within 30 days after the sale thereof;

(3) Notice of any draw upon the Reserve Account, or any deficiency as of the latest valuation due to market fluctuation in the amount on deposit in the Reserve Account;

(4) Notice of the redemption of any of the 1993 Bonds, including the principal amount, maturities and CUSIP numbers thereof; and

(5) Such additional information as the Bond Insurer may reasonably request from time to time.

(d) Valuation of Reserve Account and Depreciation Fund.

(1) Within ninety (90) days after the end of each fiscal year, amounts held in the Reserve Account shall be valued at the lesser of cost or the market value thereof. If the market valuation is less than nine percent (90%) of the Reserve Requirement, the deficiency shall be restored within twelve (12) months from the date of the valuation (i) in twelve (12) substantially equal monthly deposits from the next available net revenues after required deposits to the Debt Service Account, and/or (ii) from revaluation of investments at the market value thereof, exclusive of accrued interest.

The value of such investments shall be determined as follows:

(A) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to the time of determination;

(B) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times:

the average bid price at the time of determination for such investments by any two nationally recognized government securities dealers (selected by the Paying Agent in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(C) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(D) as to any investment not specified above: the value thereof established by prior agreement between the City and the Bond Insurer.

(2) Notwithstanding anything in Section 11 to the contrary, the balance in the Depreciation Fund shall be at least equal to $1,000,000 within three (3) years from the date of issuance of the 1993 Bonds. Thereafter, in the event moneys are withdrawn from the Depreciation Fund leaving a balance therein of less than $1,000,000, valued at the lower of cost or the market value thereof, then such deficiency under $1,000,000 shall be restored within eighteen (18) months from available net revenues after required deposits to the Sinking Fund.

(e) Defeasance and Redemption Provisions. Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the 1993 Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the 1993 Bonds shall remain outstanding for all purposes (including for purposes of Section 15 hereof), not be defeased or otherwise satisfied and not be considered paid by the City, and the pledge of security for the 1993 Bonds herein and all covenants, agreements and other obligations of the City to the registered owners of 1993 Bonds shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners.

In the event of an advance refunding, the City shall cause to be delivered a verification report of an independent nationally recognized certified public accountant.

(f) Conditions to Issuance of Additional Bonds. Notwithstanding satisfaction of other conditions to the issuance of additional bonds contained in Section 16 of this Ordinance, no such issuance may occur should any default hereunder have occurred and be continuing.

Additional parity bonds may be issued upon demonstration that net revenues, as certified by an independent firm of certified public accountants, equalled at least (i) 120% of maximum annual debt service on all outstanding bonds and proposed parity bonds and (ii) 100% of maximum annual debt service on all outstanding subordinate debt, in each case for a period of twelve (12) consecutive months during the eighteen (18) month period immediately preceding the proposed issuance date. For this purpose, net revenues may be adjusted to give effect to the following:

(1) Rates that went into effect prior to the issuance of the proposed bonds, as if they were in effect for the entire twelve (12) month test period;

(2) New customers which consist of existing residential, commercial and industrial dwellings that were connected to the works prior to the issuance of the proposed bonds, as if such customers had been connected to the works for the entire twelve (12) month test period;

(3) The acquisition of a surrounding system prior to the issuance of the proposed bonds or a system that will be acquired with the issuance of the proposed bonds; and

(4) Long-term wholesale contracts entered into prior to the issuance of the proposed bonds which have a service agreement that extends beyond the final maturity of the proposed bonds to be issued.

Furthermore, additional parity bonds may be issued only if, as of the time of issuance of the additional parity bonds, the balance in the Reserve Account shall be at least equal to the Reserve Requirement for the 1993 Bonds and all bonds ranking on a parity therewith, including the newly issued parity bonds, provided, this condition shall be deemed satisfied if any required amount is to be provided from the proceeds of the newly issued parity bonds or other funds of the City.

(g) Payment Procedure. As long as the Bond Insurance Policy shall be in full force and effect, the City and any Paying Agent agree to comply with the following provisions:

(i) If, on the third day preceding any interest payment date for the 1993 Bonds, there is not on deposit with the Registrar sufficient moneys available to pay all principal of and interest on the 1993 Bonds due on such date, the Registrar shall immediately notify the Bond Insurer and Citibank, N.A., New York, New York or its successor as its Fiscal Agent (the "*Fiscal Agent*") of the amount of such deficiency. If, by said interest payment date, the City has not provided the amount of such deficiency, the Registrar shall simultaneously make available to the Bond Insurer and to the Fiscal Agent the registration books for the 1993 Bonds maintained by the Registrar. In addition:

(A) The Registrar shall provide the Bond Insurer with a list of the bondholders entitled to receive principal or interest payments from the Bond Insurer under the terms of the Bond Insurance Policy and shall make arrangements for the Bond Insurer and its Fiscal Agent (1) to mail checks or drafts to bondholders entitled to receive full or partial interest payments from the Bond Insurer and (2) to pay principal of the 1993 Bonds surrendered to the Fiscal Agent by the bondholders entitled to receive full or partial principal payments from the Bond Insurer; and

(B) The Registrar shall, at the time it makes the registration books available to the Bond Insurer pursuant to (A) above, notify bondholders entitled to receive the payment of principal of or interest on the 1993 Bonds from the Bond Insurer (1) as to the fact of such entitlement, (2) that the Bond Insurer will remit to them all or part of the interest payments coming due subject to the terms of the Bond Insurance Policy, (3) that, except as provided in paragraph (ii) below, in the event that any bondholder is entitled to receive full payment

of principal from the Bond Insurer, such bondholder must tender his 1993 Bond with the instrument of transfer in the form provided on such 1993 Bond executed in the name of the Bond Insurer, and (4) that, except as provided in paragraph (ii) below, in the event that such bondholder is entitled to receive partial payment of principal from the Bond Insurer, such bondholder must tender such 1993 Bond for payment first to the Registrar, which shall note on such 1993 Bond the portion of principal paid by the Registrar, and then, with an acceptable form of assignment executed in the name of the Bond Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal to the bondholder subject to the terms of the Bond Insurance Policy.

(ii) In the event that the Registrar has notice that any payment of principal of or interest on a 1993 Bond has been recovered from a bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Registrar shall, at the time it provides notice to the Bond Insurer, notify all bondholders that in the event that any bondholder's payment is so recovered, such bondholder will be entitled to payment from the Bond Insurer to the extent of such recovery, and the Registrar shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the 1993 Bonds which have been made by the Registrar and subsequently recovered from bondholders, and the dates on which such payments were made.

(iii) The Bond Insurer shall, to the extent it makes payment of principal of or interest on the 1993 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy and, to evidence such subrogation, (1) in the case of subrogation as to claims for past due interest, the Registrar shall note the Bond Insurer's rights as subrogee on the registration books maintained by the Registrar upon receipt from the Bond Insurer of proof of the payment of interest thereon to the bondholders of such 1993 Bonds and (2) in the case of subrogation as to claims for past due principal, the Registrar shall note the Bond Insurer's rights as subrogee on the registration books for the 1993 Bonds maintained by the Registrar upon receipt of proof of the payment of principal thereof to the holders of such 1993 Bonds. Notwithstanding anything in this Ordinance or the 1993 Bonds to the contrary, the Registrar shall make payment of such past due interest and past due principal directly to the Bond Insurer to the extent that the Bond Insurer is a subrogee with respect thereto.

(h) Paying Agent Provisions. Notwithstanding any other provision of this Ordinance, no removal or resignation of the Paying Agent shall take effect until a successor has been appointed and has accepted the duties of Paying Agent. The Bond Insurer shall be furnished with written notice of the resignation or removal of the Paying Agent and the appointment of any successor thereto.

(i) Interested Parties. To the extent that this Ordinance confers upon or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this Ordinance, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder

and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Bond Insurer, the Registrar and Paying Agent and the registered owners of the 1993 Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereunder, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Bond Insurer, the Registrar and Paying Agent and the registered owners of the 1993 Bonds.

(j) Notices. The notice addresses for the Bond Insurer and the Fiscal Agent are as follows:

Financial Guaranty Insurance Company
115 Broadway
New York, New York 10006
Attention: Managing Counsel

Citibank, N.A.
20 Exchange Place - 16th Floor
New York, New York 10005
Attention: Municipal Trust and Agency Services Administration

SECTION 23. No Conflict. Except as described in Section 26 below, all ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 24. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 25. Holidays, Etc. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the City or the city in which the Registrar or Paying Agent is located are typically closed or on which the Fiscal Agent is authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed or on which the Fiscal Agent is authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

SECTION 26. Effectiveness. This Ordinance shall be in full force and effect from and after its passage, provided, the provisions of the ordinance pursuant to which the Prior Bonds were issued shall remain in effect and shall supercede the provisions of

this Ordinance in the event of any conflict with this Ordinance until such time as the Prior Bonds are paid or defeased in the manner set forth in said ordinance.

C R Edmonds
Councilmember

APPROVED AS TO FORM
AND LEGALITY

J. Timothy McCaulay
J. Timothy McCaulay
City Attorney

EXHIBIT A

Maturity Schedule

Year	Amount

EXHIBIT B

ESCROW AGREEMENT
Dated as of ______________________, 1993
Between
NORWEST BANK FORT WAYNE, N.A.
and
CITY OF FORT WAYNE, INDIANA

THIS ESCROW AGREEMENT (the "*Escrow Agreement*") is made and entered into as of ____________________, 1993, by and between the CITY OF FORT WAYNE, INDIANA (the "*City*" or "*Issuer*"), and Norwest Bank Fort Wayne, N.A., a banking corporation organized under the laws of the United States (the "*Escrow Agent*").

RECITALS

WHEREAS, the City has outstanding certain Waterworks Revenue Bonds of 1967 (the "*1967 Bonds*") in the amount of One Million One Hundred Thousand Dollars ($1,100,000) maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the hereinafter described 1968 Bonds and the hereinafter described 1978 Bonds; and

WHEREAS, the City also has outstanding certain Waterworks Revenue Bonds of 1968 (the "*1968 Bonds*") in the amount of One Million Three Hundred Thousand Dollars ($1,300,000) maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the 1967 Bonds and the hereinafter described 1978 Bonds; and

WHEREAS, the City also has outstanding certain Waterworks Revenue Bonds of 1978 (the "*1978 Bonds*") in the amount of Eleven Million One Hundred Seventy-Five Thousand Dollars ($11,175,000) maturing annually over a period ending January 1, 2003 and first callable prior to maturity on July 1, 1993, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the 1967 Bonds and the 1968 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Refunding Bonds of 1982 (the "*1982 Bonds*") in the amount of One Million Ninety Thousand Dollars ($1,090,000) maturing annually over a period ending January 1, 2002, which bonds constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the hereinafter described 1986 Bonds and the hereinafter described 1990 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Revenue Bonds of 1986 (the "*1986 Bonds*") in the amount of Three Million Four Hundred Sixty-Five Thousand Dollars ($3,465,000) maturing annually over a period ending January 1, 2007 and first callable prior to maturity on January 1, 1997, which bonds constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the 1982 Bonds and the hereinafter described 1990 Bonds; and

WHEREAS, the City also has outstanding certain Junior Waterworks Revenue Bonds of 1990 (the "*1990 Bonds*") in the amount of Six Million Eight Hundred Ten Thousand Dollars ($6,810,000), maturing annually over a period ending January 1, 2007 and first callable prior to maturity on January 1, 1998, which bonds constitute a second charge upon a portion of the gross revenues of the waterworks and are junior to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and are on a parity with the 1982 Bonds and the

1986 Bonds (the 1967 Bonds, 1968 Bonds, 1978 Bonds, 1982 Bonds, 1986 Bonds and 1990 Bonds are collectively referred to as the "*Prior Bonds*"); and

WHEREAS, concurrently with the execution of this Escrow Agreement, the Issuer has executed, issued and delivered refunding bonds, designated as "City of Fort Wayne Waterworks Refunding Revenue Bonds of 1993", in the aggregate principal amount of $__________ (the "*Refunding Bonds*"), the proceeds of which will be used to defease and advance refund the Prior Bonds and pay costs of issuance of the Refunding Bonds and incidental expenses.

NOW, THEREFORE, in consideration of the premises, the covenants and agreements hereinafter contained, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed by and among the parties hereto as follows:

Section 1. There is hereby established and created with the Escrow Agent the following irrevocable trust account (the "*Escrow Account*") for the benefit of the holders and registered owners of the Prior Bonds designated:

"City of Fort Wayne Waterworks Refunding Revenue Bond Escrow Account of 1993".

Section 2. The Issuer hereby deposits with the Escrow Agent, and the Escrow Agent hereby acknowledges receipt of, the sum of $____________________ in immediately available funds and obligations funded from proceeds from the sale of the Refunding Bonds and certain moneys held in connection with the Prior Bonds. The Escrow Agent shall deposit such funds in the Escrow Account and hold in the Escrow Account such obligations, as described on Schedule I attached hereto (the "*Governmental Obligations*"). The uninvested funds shall be maintained as a cash balance. The maturing principal of the Governmental Obligations, together with interest thereon, will be sufficient to pay the amounts required by Section 3 hereof. The Escrow Agent hereby accepts the funds so deposited and the Governmental Obligations and the duties and trusts imposed hereby.

Section 3. The Escrow Agent agrees to use the moneys available in the Escrow Account solely to pay (i) the principal of and interest on the 1967 Bonds, 1968 Bonds and 1982 Bonds as the same becomes due, (ii) the principal of and interest on the 1978 Bonds, 1986 Bonds and 1990 Bonds which is due and payable prior to the respective dates on which such Prior Bonds are first callable prior to maturity, as the same becomes due, and (iii) the outstanding principal of and accrued interest and premium on the 1978 Bonds, 1986 Bonds and 1990 Bonds which mature on and after the respective dates on which such Prior Bonds are first callable prior to maturity and which shall be paid and redeemed in full prior to maturity on the respective dates on which such Prior Bonds are first callable prior to maturity.

The Escrow Agent agrees that it will cause notice of redemption of the Prior Bonds to be redeemed prior to maturity to be given.

The Escrow Agent hereby acknowledges receipt from the Issuer of irrevocable instructions to call said Prior Bonds for redemption and of the forms of redemption notice and instructions for the giving of such notice as set forth on Schedule II attached hereto.

Section 4. The Escrow Agent is hereby authorized and directed to issue its checks on the Escrow Account for the payment of the principal of and interest on the Prior Bonds. The Escrow Agent shall keep and maintain adequate records pertaining to the Escrow Account, and shall furnish a statement with respect thereto

to the Issuer not later than April 1 of each year throughout the term of this Escrow Agreement.

Section 5. The Escrow Agent hereby waives any right of set-off, counterclaim, reduction, or diminution of an obligation, or any defense of any kind or nature which the Escrow Agent has or may have against the Issuer or the holders of the Prior Bonds insofar as such set-off, counterclaim, reduction, diminution or defense would have an adverse effect on the availability of funds sufficient to comply with the obligations of the parties contained herein.

Section 6. The parties hereto recognize that the holders from time to time of the Prior Bonds have a beneficial and vested interest in the Governmental Obligations. It is therefore recited, understood and agreed that this Escrow Agreement shall not be subject to revocation until its provisions have been fully carried out and may be amended only with the consent of all such holders. Funds in the Escrow Account shall be held in trust and used only for the purposes described herein. Any amounts remaining in the Escrow Account after payment in full of the Prior Bonds shall be returned to the Issuer.

Section 7. The Escrow Agent shall have no power or duty to invest any monies held hereunder except as set forth in Section 2 hereof. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

Section 8. None of the provisions contained in this Escrow Agreement shall require the Escrow Agent to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Escrow Agent shall be under no liability for interest on any funds or other property received by it hereunder, except as herein expressly provided. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Issuer of any of its obligations or to protect any of the Issuer's rights under any bond proceeding or any other contracts with or franchises or privileges from any state, county, municipality or other governmental agency or with any person. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein, in the Prior Bonds, or in any proceedings taken in connection therewith. To the extent permitted by law, the Issuer shall defend, indemnify and hold the Escrow Agent and the holders of the Prior Bonds harmless from all claims, demands and actions resulting from or arising out of any alleged deficiency in the Escrow Account which is not caused by acts of the Escrow Agent. This indemnity shall survive the termination of this Escrow Agreement.

Section 9. The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trusts hereby created by giving not less than 60 days' written notice to the Issuer, but no resignation shall take effect unless a successor Escrow Agent shall have been appointed by the Issuer as hereinafter provided and the successor Escrow Agent shall have accepted such appointment, in which such event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent, by the Issuer.

In the event the Escrow Agent hereunder shall resign, be removed, be dissolved or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any

public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Issuer, an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Agent without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the Issuer, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses, if any, of the retiring or removed Escrow Agent shall be paid in full.

Should any transfer, assignment or instrument in writing from the Issuer be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

Any corporation into which the Escrow Agent or any successor to it in the trusts created by this Escrow Agreement may be merged into or consolidated with, and any corporation which otherwise succeeds to the Escrow Agent or its successors, shall, if satisfactory to the Issuer and a qualified depository for the Issuer, be the successor Escrow Agent under this Escrow Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 10. The Escrow Agent shall be entitled to payment and/or reimbursement by the Issuer for reasonable fees for its services rendered hereunder and all advances, counsel fees and other ordinary expenses reasonably and necessarily made or incurred by the Escrow Agent in connection with such services, provided, however, the Issuer and Escrow Agent agree not to use amounts in the Escrow Account for such purposes.

Section 11. This Escrow Agreement shall terminate upon payment of the principal of and interest on the Prior Bonds.

Section 12. If any one or more of the covenants or agreements provided in this Escrow Agreement to be performed on the part of the Issuer or the Escrow Agent should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 13. All the covenants, promises and agreements in this Escrow Agreement contained by or on behalf of the Issuer or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 14. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

Section 15. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

Section 16. Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed, by registered or certified mail, postage prepaid or sent by telegram as follows:

if to the Issuer at City of Fort Wayne
(Attn: Controller)
____
Fort Wayne, Indiana _____; and

if to the Escrow Agent at ______________________________
____
____

The Issuer and the Escrow Agent may designate any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent.

Section 17. The Issuer and the Escrow Agent covenant that any monies attributable to the proceeds of the Prior Bonds, if any, any moneys attributable to the proceeds of the Refunding Bonds, amounts received from the investment of the proceeds of the Refunding Bonds and any other amounts treated as proceeds thereof under the provisions of the Internal Revenue Code of 1986, as amended, (the "*Code*") or any of the regulations and rules adopted pursuant thereto, shall not be invested or otherwise used in a manner which would cause the Prior Bonds or the Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and such regulations or rules as may be applicable thereto.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed for and on their behalf as of the day and year first herein above written.

CITY OF FORT WAYNE, INDIANA

____
Mayor

ATTEST:

____
City Clerk

NORWEST BANK FORT WAYNE, N.A.

By: ______________________________

Its: ______________________________

ATTEST:

____

Schedule I

List of Governmental Obligations

Principal Amount	Interest Rate	Description	Maturity
$			

Read the first time in full and on motion by Talarico, seconded by ______________, and duly adopted, read the second time by title and referred to the Committee on City Utilities (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Common ~~Council Conference Room 128~~, City-County Building, Fort Wayne, ~~Indiana,~~ on ______________, the ______________, day of ______________, 19______, at ______________ o'clock ______ M., E.S.T.

DATED: 5-11-93

Sandra E. Kennedy

SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by ______________, seconded by ______________, and duly adopted, placed on its passage. PASSED LOST by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES				
BRADBURY				
EDMONDS				
GiaQUINTA				
HENRY				
LONG				
LUNSEY				
RAVINE				
SCHMIDT				
TALARICO				

DATED: ______________

SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL) (SPECIAL) (ZONING) ORDINANCE RESOLUTION NO. ______________ on the ______________ day of ______________, 19______

ATTEST: (SEAL)

SANDRA E. KENNEDY, CITY CLERK

PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the ______________ day of ______________, 19____, at the hour of ______________ o'clock ________, M., E.S.T.

SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this ________ day of ______________, 19______, at the hour of ______________ o'clock ________ M., E.S.T.

PAUL HELMKE, MAYOR

REFINANCING PROPOSAL

TO THE

CITY OF FORT WAYNE, INDIANA

First Chicago Capital Markets, Inc.

April 7, 1993

April 7, 1993

Mr. J. Timothy McCaulay
Helmke Beams, Boyer & Wagner
300 Metro Building
Harrison at Berry Street
Fort Wayne, IN 46802-2216

Mr. Michael Claytor
Municipal Consultants
2100 Market Tower
10 West Market Street
Indianapolis, IN 46204-2976

Dear Gentlemen:

First Chicago Capital Markets, Inc. ("FCCM") is pleased to submit this refinancing analysis and underwriting proposal for the City of Fort Wayne's outstanding Waterworks and Sewerage systems revenue bonds. This letter summarizes the results of our analysis and illustrates how the City can achieve over $650,000 in net present value savings by refunding all of its outstanding waterworks system debt and $272,000 from refinancing its outstanding Series 1986 Sewage Works revenue bonds given current market interest rates. As shown in the graph following this letter, interest rates are near 15-year lows which makes it a very opportune time to undertake these financings.

Our analysis and review of Fort-Wayne's outstanding debt included:

- a review and discussion of certain outstanding revenue bond ordinances with Barnes & Thornburg and Municipal Consultants,
- discussions with a bond insurance provider regarding refunding bond structures that would allow Fort Wayne to obtain bond insurance and permit refunding bonds to be marketed with a triple-A rating, and
- a comprehensive refunding analysis of all outstanding revenue bonds assuming that bond insurance is obtained.

Hereafter, we discuss refunding the waterworks bonds and the sewage works bonds in more detail.

OUTSTANDING WATER WORKS DEBT (APPENDIX A)

There are currently six outstanding revenue bond issues for Fort Wayne's Waterworks enterprise system. Series 1967, 1968 and 1978 are senior lien bonds while Series 1982, 1986, and 1990 are junior lien bonds. The ordinances related to the 1967 through 1982 bonds have flow of funds provisions which are somewhat restrictive compared to other municipal revenue bond structures. As a result, we believe this limits the flexibility of the waterworks enterprise system from issuing new revenue bonds at the lowest possible interest rates. Specifically, major bond insurance providers would be unlikely to underwrite insurance if the current flow of funds structure is maintained. To update the waterworks revenue bond ordinances and gain access to bond insurance, First Chicago recommends defeasing all of the currently outstanding waterworks revenue bonds. The impact of modernizing the current revenue bond ordinances and obtaining bond insurance will allow refunding bonds to be marketed with a triple-A rating versus the system's current Baa stand-alone rating. In addition, ordinance restructuring will facilitate more economic and easier future access to the bond market for the system.

Schedule A following this memo summarizes the proposed refinancing of waterworks revenue bonds and details the total debt service that would be defeased for each of the revenue bond issues refunded. The refunding issue size would approximate $26 million. As shown in the schedule, cumulative savings resulting from such a refunding would approximate $912,000 while total net present value savings would be $654,000.

Appendix A to this proposal provides the full detailed analysis for the waterworks system refunding.

OUTSTANDING SEWAGE WORKS DEBT (APPENDIX B)

There are currently two outstanding revenue bonds for Fort Wayne's Sewage Works enterprise system. The Series 1985 issue is comprised solely of zero coupon, non-callable bonds which cannot be refunded for any savings. However, the Series 1986 Junior lien revenue bonds have callable outstanding bonds. This Series has interest rates ranging from 7.30 to 7.875% while current market rates for insured triple-A bonds of like maturity are 4.30 to 5.85%.

Because the outstanding ordinances related to the sewage works bonds are not as restrictive and because of the improving financial condition of the sewage works enterprise system, we believe that the outstanding 1986 bonds can be refinanced with insured refunding bonds for significant savings.

Schedule B following this letter illustrates cumulative savings of $422,000 would result from issuing approximately $5.3 million of sewage works refunding bonds. The net present value savings of such a refunding would approximate $272,000.

Appendix B provides the full detailed analysis for the proposed sewage works bond refunding.

ISSUANCE COSTS

For purposes of these analyses, we have assumed total costs of issuance for the waterworks refunding to be 1.40% of the principal amount of refunding bonds issued. Our sewage works analysis assumes costs at a 2% level. In each case, our assumptions cover costs including underwriter's discount, bond counsel, disclosure counsel, Trustee fees, rating agency fees, escrow verification and printing fees but exclude bond insurance. The difference in total cost percentages for the waterworks and sewerage bonds reflects the relative size of each refunding issue. We believe that these assumptions are reasonable given the nature of the transactions. Should Fort Wayne decide to proceed with the financings, detailed line item expense listings can be easily compiled.

FIRST CHICAGO QUALIFICATIONS AND EXPERIENCE

As the broker-dealer subsidiary of First Chicago Corporation, First Chicago Capital Markets, Inc. ("FCCM") is a leader in providing top-tier financial products to its diverse client base. FCCM's municipal finance unit is staffed with over twenty professionals dedicated to serving municipalities, hospitals, universities, and various other issuers who can access the tax-exempt marketplace.

FCCM has been very active in assisting clients take advantage of the current, extremely favorable interest rate environment. While general decreases in the level of interest rates provide some obvious savings opportunities, First Chicago's approach does not stop there. We strive to capitalize on improving issuer performance by emphasizing positive financial and demographic trend data to the marketplace before a bond issue is marketed. In addition, where opportunities exist to modify financing documents to lower financing costs and improve issuer flexibility, we strive to work with bond counsel and financial advisors to maximize client benefits.

For example, we recently completed a $10,080,000 financing for the City of South Bend, Indiana's Sewage Works Enterprise System. Our transaction structuring included highlighting the strengthening financial condition of the system and assisting South Bend in obtaining a two-notch credit rating upgrade from Moody's. Most importantly, we helped obtain a cost effective bond insurance policy to enable marketing of South Bend's bonds with a triple-A rating. In addition, we modified the maturity date provisions and marketed the bonds with aggressive optional redemption provisions to provide additional savings and flexibility to the City. Other recent municipal revenue bond financings that FCCM has senior-managed include the $9.5 million Bloomingdale, Illinois Waterworks Revenue Refunding Bonds, $18 million City of Joliet, Illinois Waterworks and Sewerage Refunding Bonds, and $21.175 million City of West Memphis, Arkansas Public Utility System Refunding Bonds. Appendix C provides resumes for each individual who would be involved in the Fort Wayne financing.

CONCLUSION

In conclusion, while we have endeavored to review all primary legal and financial aspects of these proposed refinancings, our financing plan is subject to review by bond counsel of all currently outstanding ordinances to ensure propriety of the financing plan. In any case, we believe the City of Fort Wayne will benefit both financially and from increased flexibility by undertaking these financings.

Finally, please feel free to contact me at (312) 732-5399 if I can provide any additional information regarding this proposal and analysis. I look forward to discussing this information with you in more detail. Thank you.

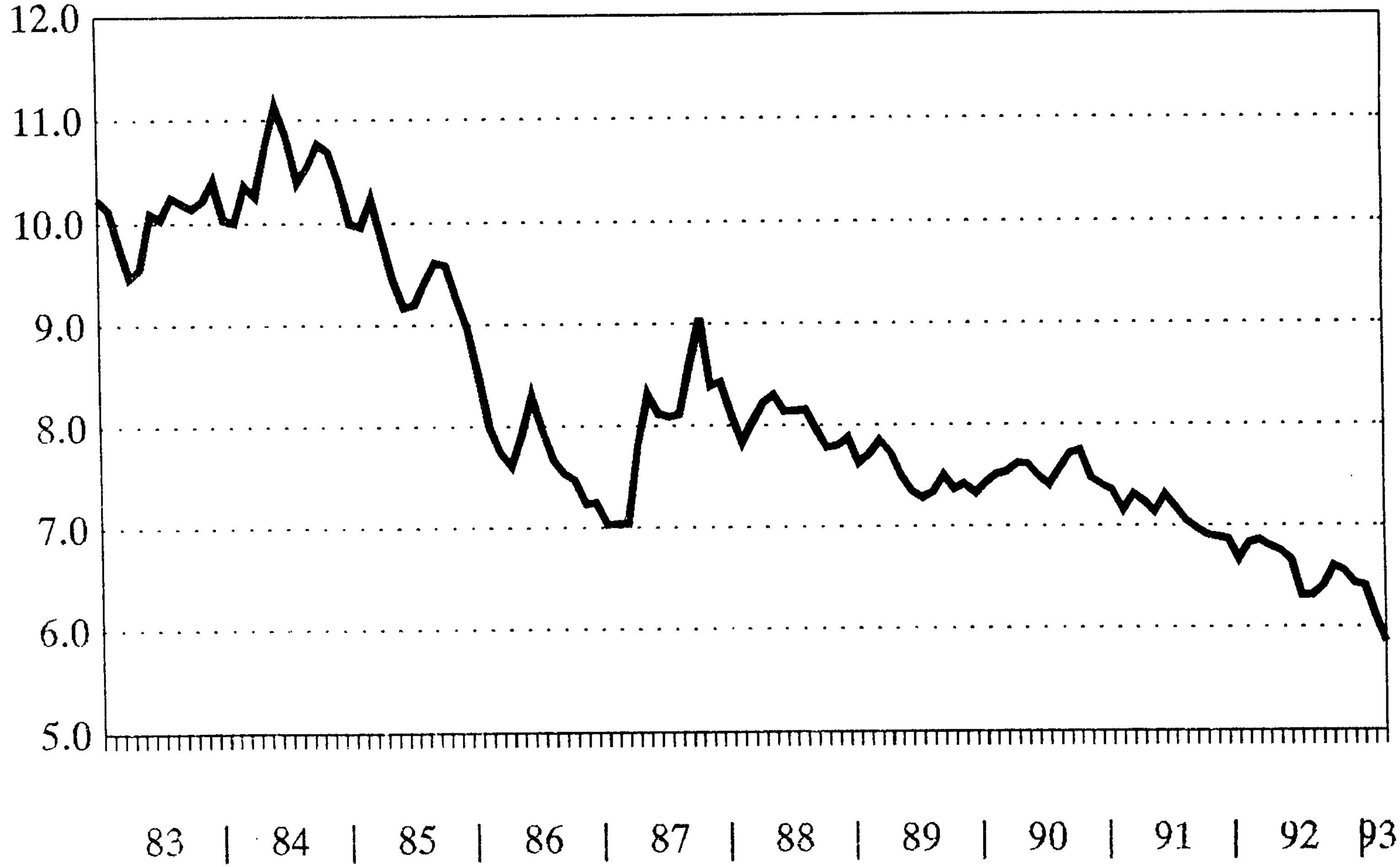
Sincerely yours,

Todd S. Krzyskowski
Vice President
(312) 732-5399

cc: Patrick Rea, First Chicago Capital Markets, Inc.
Steven Trout, First Chicago Capital Markets, Inc.
Robert Grand, Barnes & Thornburg

City of Fort Wayne, Indiana
Waterworks Revenue Bonds
Bond Buyer Long-Term Revenue Bond Index

JANUARY 1983 - MARCH 1993



First Chicago Capital Markets, Inc.

City of Fort Wayne, Indiana
Proposed Series 1993 Waterworks
Revenue Refunding Bond Structure

Issues Refunded	Maturities Refunded	Par Amount	Call Price	Defeased To:
Series 1967	1/1/94 - 1/1/00	$ 1,100,000	N/A	Maturity
Series 1968	1/1/94 - 1/1/00	1,300,000	N/A	Maturity
Series 1978	1/1/94 - 1/1/03	11,175,000	102%	7/1/93
Series 1982	1/1/94 - 1/1/02	1,090,000	N/A	Maturity
Series 1986	1/1/94 - 1/1/07	3,465,000	102%	1/1/97
Series 1990	1/1/94 - 1/1/07	6,810,000	102%	1/1/98
		$24,940,000		

IF MISSED 7/18-19K/ MO *6 TO 1/1/94

30 DAY NOTICE

Refinancing Results*	
Series 1993 Refunding Bond Size:	$26,010,000
Cumulative Savings:	$ 912,369
Average Annual Savings:	$ 65,169
Net Present Value Savings:	$ 654,764
Average Interest Rate:	5.11%
Savings as a % of Par Amount Refunded:	2.63%

* See following page of this schedule for annual summary of refunding savings and see Appendix A for detailed calculations.

City of Fort Wayne, Indiana
$26,010,000 Waterworks Revenue Refunding Bonds, Series 1993

Summary of Proposed Series 1967, 68, 78, 82, 86, & 90 Waterworks Revenue Bond Refinancing

Appendix A
Refunding of Waterworks Revenue Bonds, Maturities 1994 – 2007

Calendar Year	Series 1967 Refunded Debt Service (See Note 1)	Series 1968 Refunded Debt Service (See Note 2)	Series 1978 Refunded Debt Service (See Note 3)	Series 1982 Refunded Debt Service (See Note 4)	Series 1986 Refunded Debt Service (See Note 5)	Series 1990 Refunded Debt Service (See Note 6)	Total Debt Service (A+B+C+D+E+F)	Proposed Series 1993 Debt Service (See Note 7)	Annual Savings (G−H) (See Note 8)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
01/01/94	$200,000.00	$215,200.00	$1,469,850.00	$187,300.00	$438,032.50	$789,155.00	$3,299,537.50	$3,236,073.75	$63,463.75
01/01/95	$197,750.00	$212,370.00	$1,473,650.00	$190,312.50	$445,670.00	$784,930.00	$3,304,682.50	$3,238,130.00	$66,552.50
01/01/96	$195,250.00	$209,270.00	$1,469,450.00	$196,875.00	$446,805.00	$733,805.00	$3,251,455.00	$3,187,577.50	$63,877.50
01/01/97	$197,500.00	$210,900.00	$1,467,550.00	$196,750.00	$451,805.00	$725,055.00	$3,249,560.00	$3,186,010.00	$63,550.00
01/01/98	$199,250.00	$211,990.00	$1,467,650.00	$200,500.00	$435,065.00	$719,880.00	$3,234,335.00	$3,169,847.50	$64,487.50
01/01/99	$200,500.00	$212,540.00	$1,404,450.00	$202,562.50	$358,055.00	$719,645.00	$3,097,752.50	$3,031,057.50	$66,695.00
01/01/2000	$131,250.00	$342,550.00	$1,406,550.00	$207,937.50	$369,615.00	$722,685.00	$3,180,587.50	$3,114,687.50	$65,900.00
01/01/2001	$0.00	$0.00	$1,869,925.00	$211,062.50	$384,340.00	$723,760.00	$3,189,087.50	$3,126,167.50	$62,920.00
01/01/2002	$0.00	$0.00	$1,863,850.00	$216,937.50	$376,850.00	$722,845.00	$3,180,482.50	$3,112,912.50	$67,570.00
01/01/2003	$0.00	$0.00	$1,746,600.00	$0.00	$308,700.00	$724,725.00	$2,780,025.00	$2,715,312.50	$64,712.50
01/01/2004	$0.00	$0.00	$0.00	$0.00	$328,512.50	$1,208,975.00	$1,537,487.50	$1,472,725.00	$64,762.50
01/01/2005	$0.00	$0.00	$0.00	$0.00	$345,962.50	$1,138,675.00	$1,484,637.50	$1,417,722.50	$66,915.00
01/01/2006	$0.00	$0.00	$0.00	$0.00	$291,050.00	$1,067,450.00	$1,358,500.00	$1,290,960.00	$67,540.00
01/01/2007	$0.00	$0.00	$0.00	$0.00	$213,500.00	$996,225.00	$1,209,725.00	$1,146,302.50	$63,422.50
Total	$1,321,500.00	$1,614,820.00	$15,639,525.00	$1,810,237.50	$5,193,962.50	$11,777,810.00	$37,357,855.00	$36,445,486.25	$912,368.75

Total Refunding Savings (See Note 9)

Notes:

1. $1,100,000 of these bonds are escrowed to the maturity date of 1/1/00.
2. $1,300,000 of these bonds are escrowed to the maturity date of 1/1/00.
3. $11,175,000 of these bonds are escrowed to and called for redemption on 7/1/93.
4. $1,090,000 of these bonds are escrowed to the maturity date of 1/1/02.
5. $3,465,000 of these bonds are escrowed to and called for redemption on 1/1/97.
6. $6,810,000 of these bonds are escrowed to and called for redemption on 1/1/98.
7. The Series 1993 refunding debt service in the first period includes $1,649,768.75 contributed from the bond fund.
8. Savings are shown net of issuance costs.
9. Present value savings of $654,764.41 represents 2.63% of the prior issues' par amount.

City of Fort Wayne, Indiana
Proposed Series 1993 Sewage Works
Revenue Refunding Bond Structure

Issues Refunded	Maturities Refunded	Par Amount	Call Price	Defeased To:
Series 1986	1/1/98 -1/1/11	$ 4,645,000	102%	7/1/96

Refinancing Results*	
Series 1993 Refunding Bond Size:	$5,270,000
Cumulative Savings:	$ 422,224
Average Annual Savings:	$ 23,457
Net Present Value Savings:	$ 272,348
Average Interest Rate:	5.60%
Savings as a % of Par Amount Refunded:	5.86%

*See following page of this schedule for annual summary of refunding savings and see Appendix B for detailed calculations.

City of Fort Wayne, Indiana
$5,270,000 Sewerage Revenue Refunding Bonds, Series 1993

Summary of Proposed Series 1986 Sewerage Revenue Bond Refinancing

Appendix B
Refunding of Sewerage Revenue Bonds, Maturities 1998 – 2011

Calendar Year	Series 1986 Refunded Debt Service (See Note 1) (A)	Proposed Series 1993 Debt Service (See Note 2) (B)	Annual Savings (A–B) (See Note 3) (C)
01/01/94	$360,525.00	$345,332.71	$15,192.29
01/01/95	$360,525.00	$337,977.50	$22,547.50
01/01/96	$360,525.00	$336,080.00	$24,445.00
01/01/97	$360,525.00	$333,907.50	$26,617.50
01/01/98	$535,525.00	$511,570.00	$23,955.00
01/01/99	$537,575.00	$511,112.50	$26,462.50
01/01/2000	$538,325.00	$514,720.00	$23,605.00
01/01/2001	$547,745.00	$522,240.00	$25,505.00
01/01/2002	$545,265.00	$523,380.00	$21,885.00
01/01/2003	$551,400.00	$528,335.00	$23,065.00
01/01/2004	$555,610.00	$531,797.50	$23,812.50
01/01/2005	$557,747.50	$533,875.00	$23,872.50
01/01/2006	$562,947.50	$539,527.50	$23,420.00
01/01/2007	$565,647.50	$543,437.50	$22,210.00
01/01/2008	$571,007.50	$545,555.00	$25,452.50
01/01/2009	$573,637.50	$550,830.00	$22,807.50
01/01/2010	$583,200.00	$559,380.00	$23,820.00
01/01/2011	$674,218.75	$650,670.00	$23,548.75
Total	$9,341,951.25	$8,919,727.71	$422,223.54

Total Refunding Savings (See Note 4)

Notes:

1. $4,645,000 of these bonds are escrowed to and called for redemption on 7/1/96.
2. The Series 1993 refunding debt service assumes Fort Wayne contributes $180,262.50 from the bond debt service fund.
3. Savings are shown net of all issuance expenses.
4. Present value savings of $272,348.03 represents 5.86% of the prior issue par amount.

Schedule 1

CITY OF FORT WAYNE, INDIANA
SERIES 1993 WATERWORKS REVENUE REFUNDING BONDS

SOURCES AND USES OF FUNDS

DELIVERY DATE: 6/ 1/93

Sources of Funds

PAR AMOUNT OF BONDS	$26,010,000.00	
+PREMIUM /-DISCOUNT	$0.00	
BOND PROCEEDS		26,010,000.00
Contribution from Bond Fund		1,649,768.75
		$27,659,768.75

Uses of Funds

ESTIMATED COST OF ESCROW SECURITIES		27,119,573.52
Cost of Issuance	(1.400000%)	364,140.00
Bond Insurance	(0.500000%)	173,978.59
CONTINGENCY		2,076.64
		$27,659,768.75

First Chicago Capital Markets, Inc.

RUNDATE: 04-07-1993 @ 13:14:24 FILENAME: FW KEY: REF

Schedule 2

CITY OF FORT WAYNE, INDIANA
SERIES 1993 WATERWORKS REVENUE REFUNDING BONDS

SAVINGS REPORT

	PROPOSED DEBT SERVICE						
DATE	PRINCIPAL	COUPON	INTEREST	TOTAL	PRIOR D/S	SAVINGS	CUMULATIVE SAVINGS
1/ 1/94	875,000.00	3.000000	711,305.00	1,586,305.00	3,299,537.50	1,713,232.50	63,463.75
7/ 1/94			596,565.00				
1/ 1/95	2,045,000.00	3.450000	596,565.00	3,238,130.00	3,304,682.50	66,552.50	130,016.25
7/ 1/95			561,288.75				
1/ 1/96	2,065,000.00	3.950000	561,288.75	3,187,577.50	3,251,455.00	63,877.50	193,893.75
7/ 1/96			520,505.00				
1/ 1/97	2,145,000.00	4.250000	520,505.00	3,186,010.00	3,249,560.00	63,550.00	257,443.75
7/ 1/97			474,923.75				
1/ 1/98	2,220,000.00	4.450000	474,923.75	3,169,847.50	3,234,335.00	64,487.50	321,931.25
7/ 1/98			425,528.75				
1/ 1/99	2,180,000.00	4.650000	425,528.75	3,031,057.50	3,097,752.50	66,695.00	388,626.25
7/ 1/99			374,843.75				
1/ 1/ 0	2,365,000.00	4.800000	374,843.75	3,114,687.50	3,180,587.50	65,900.00	454,526.25
7/ 1/ 0			318,083.75				
1/ 1/ 1	2,490,000.00	4.950000	318,083.75	3,126,167.50	3,189,087.50	62,920.00	517,446.25
7/ 1/ 1			256,456.25				
1/ 1/ 2	2,600,000.00	5.100000	256,456.25	3,112,912.50	3,180,482.50	67,570.00	585,016.25
7/ 1/ 2			190,156.25				
1/ 1/ 3	2,335,000.00	5.250000	190,156.25	2,715,312.50	2,780,025.00	64,712.50	649,728.75
7/ 1/ 3			128,862.50				
1/ 1/ 4	1,215,000.00	5.350000	128,862.50	1,472,725.00	1,537,487.50	64,762.50	714,491.25
7/ 1/ 4			96,361.25				
1/ 1/ 5	1,225,000.00	5.450000	96,361.25	1,417,722.50	1,484,637.50	66,915.00	781,406.25
7/ 1/ 5			62,980.00				
1/ 1/ 6	1,165,000.00	5.550000	62,980.00	1,290,960.00	1,358,500.00	67,540.00	848,946.25
7/ 1/ 6			30,651.25				
1/ 1/ 7	1,085,000.00	5.650000	30,651.25	1,146,302.50	1,209,725.00	63,422.50	912,368.75
	26,010,000.00		8,785,717.50	34,795,717.50	37,357,855.00		912,368.75
ACCRUED							
	26,010,000.00		8,785,717.50	34,795,717.50	37,357,855.00		912,368.75

Dated 6/ 1/93 with Delivery of 6/ 1/93
Bond Years 174,707.500
Average Coupon 5.028815
Average Life 6.716936
N I C % 5.028815 % Using 100.0000000
T I C % 5.115512 % From Delivery Date

Bond Insurance:
0.500000 % of (Total D/S - Accrued - Cap. Int.) = 173,978.59

N O T E : Cumulative Savings are Net of the Initial Transfer Amount of 1,649,768.75

Net Present Value Savings at: 4.9926% Equals 654,764.41 or 2.5174% of Par of the Current Issue
or 2.6254% of Par of the Prior Issue

N O T E : Present Value Savings are Net of the Initial Transfer Amount of 1,649,768.75

FIRST CHICAGO CAPITAL MARKETS, INC.

RUNDATE: 04-07-1993 @ 13:13:26 FILENAME: FW KEY: REF

CITY OF FORT WAYNE, INDIANA
SERIES 1993 WATERWORKS REVENUE REFUNDING BONDS
DOLLAR TARGET FOR BOND YIELD

DATED 6/ 1/93
DELIVERY 6/ 1/93

Par		26,010,000.00
Bond Insurance	(0.500000 %)	-173,978.59
% of (Total D/S -Accrued -	0.00 Cap. Interest)	

TIC Target Value		25,836,021.41

T I C % 5.11551237 % From Delivery Date

RUNDATE: 04-06-1993 @ 17:50:56 FILENAME: FW KEY: REF

CITY OF FORT WAYNE, INDIANA
SERIES 1993 WATERWORKS REVENUE REFUNDING BONDS
PROOF OF BOND YIELD

PV DATE: 6/ 1/1993 with 2 Compoundings using 30/360 Year Basis

PV RESULTS: PV TOTAL = 25,836,021.41 PV RATE = 5.1155123684
CASH - FLOW SUBTOTAL = 34,795,717.50

DATE	AMOUNT	RATE	PV FACTOR	PV AMOUNT
1/ 1/1994	1,586,305.00	5.1155124	0.97096462	1,540,246.03
7/ 1/1994	596,565.00	5.1155124	0.94674908	564,797.37
1/ 1/1995	2,641,565.00	5.1155124	0.92313748	2,438,527.65
7/ 1/1995	561,288.75	5.1155124	0.90011474	505,224.28
1/ 1/1996	2,626,288.75	5.1155124	0.87766618	2,305,004.81
7/ 1/1996	520,505.00	5.1155124	0.85577748	445,436.46
1/ 1/1997	2,665,505.00	5.1155124	0.83443467	2,224,189.79
7/ 1/1997	474,923.75	5.1155124	0.81362415	386,409.43
1/ 1/1998	2,694,923.75	5.1155124	0.79333263	2,137,970.96
7/ 1/1998	425,528.75	5.1155124	0.77354718	329,166.57
1/ 1/1999	2,605,528.75	5.1155124	0.75425518	1,965,233.54
7/ 1/1999	374,843.75	5.1155124	0.73544430	275,676.70
1/ 1/2000	2,739,843.75	5.1155124	0.71710257	1,964,748.99
7/ 1/2000	318,083.75	5.1155124	0.69921827	222,409.97
1/ 1/2001	2,808,083.75	5.1155124	0.68178000	1,914,495.34
7/ 1/2001	256,456.25	5.1155124	0.66477663	170,486.12
1/ 1/2002	2,856,456.25	5.1155124	0.64819733	1,851,547.31
7/ 1/2002	190,156.25	5.1155124	0.63203150	120,184.74
1/ 1/2003	2,525,156.25	5.1155124	0.61626885	1,556,175.13
7/ 1/2003	128,862.50	5.1155124	0.60089931	77,433.39
1/ 1/2004	1,343,862.50	5.1155124	0.58591308	787,386.62
7/ 1/2004	96,361.25	5.1155124	0.57130060	55,051.24
1/ 1/2005	1,321,361.25	5.1155124	0.55705256	736,067.66
7/ 1/2005	62,980.00	5.1155124	0.54315985	34,208.21
1/ 1/2006	1,227,980.00	5.1155124	0.52961363	650,354.94
7/ 1/2006	30,651.25	5.1155124	0.51640524	15,828.47
1/ 1/2007	1,115,651.25	5.1155124	0.50352627	561,759.71
SUBTOTAL	34,795,717.50			25,836,021.41

RUNDATE: 04-06-1993 @ 17:52:52 FILENAME: FW KEY: REF

CITY OF FORT WAYNE, INDIANA
SERIES 1993 WATERWORKS REVENUE REFUNDING BONDS
ESTIMATED COST OF ESCROW

PV DATE: 6/ 1/1993 with 2 Compoundings using 30/360 Year Basis

PV RESULTS: PV TOTAL = 27,119,573.52 PV RATE = 5.1155123684
CASH - FLOW SUBTOTAL = 30,164,620.00

DATE	AMOUNT	RATE	PV FACTOR	PV AMOUNT
7/ 1/1993	12,250,768.75	5.1155124	0.99579953	12,199,309.71
1/ 1/1994	1,327,343.75	5.1155124	0.97096462	1,288,803.82
7/ 1/1994	473,016.25	5.1155124	0.94674908	447,827.70
1/ 1/1995	1,358,016.25	5.1155124	0.92313748	1,253,635.70
7/ 1/1995	441,002.50	5.1155124	0.90011474	396,952.85
1/ 1/1996	1,341,002.50	5.1155124	0.87766618	1,176,952.54
7/ 1/1996	408,505.00	5.1155124	0.85577748	349,589.38
1/ 1/1997	3,918,405.00	5.1155124	0.83443467	3,269,652.99
7/ 1/1997	290,810.00	5.1155124	0.81362415	236,610.04
1/ 1/1998	6,630,410.00	5.1155124	0.79333263	5,260,120.64
7/ 1/1998	57,801.25	5.1155124	0.77354718	44,711.99
1/ 1/1999	557,801.25	5.1155124	0.75425518	420,724.48
7/ 1/1999	40,868.75	5.1155124	0.73544430	30,056.69
1/ 1/2000	640,868.75	5.1155124	0.71710257	459,568.63
7/ 1/2000	20,531.25	5.1155124	0.69921827	14,355.83
1/ 1/2001	190,531.25	5.1155124	0.68178000	129,900.40
7/ 1/2001	10,968.75	5.1155124	0.66477663	7,291.77
1/ 1/2002	205,968.75	5.1155124	0.64819733	133,508.39
SUBTOTAL	30,164,620.00			27,119,573.52

First Chicago Capital Markets, Inc.

RUNDATE: 04-07-1993 @ 13:11:18 FILENAME: FW KEY: REF

Schedule 6

CITY OF FORT WAYNE, INDIANA
COMBINED DEBT SERVICE TO MATURITY ON OUTSTANDING
SERIES 67 ,68 ,78 ,82 86, & 90 REVENUE BONDS REFUNDED

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93			852,268.75	852,268.75	852,268.75
1/ 1/94	1,595,000.00		852,268.75	2,447,268.75	
7/ 1/94			799,841.25	799,841.25	3,247,110.00
1/ 1/95	1,705,000.00		799,841.25	2,504,841.25	
7/ 1/95			743,227.50	743,227.50	3,248,068.75
1/ 1/96	1,765,000.00		743,227.50	2,508,227.50	
7/ 1/96			684,780.00	684,780.00	3,193,007.50
1/ 1/97	1,880,000.00		684,780.00	2,564,780.00	
7/ 1/97			622,167.50	622,167.50	3,186,947.50
1/ 1/98	1,990,000.00		622,167.50	2,612,167.50	
7/ 1/98			558,876.25	558,876.25	3,171,043.75
1/ 1/99	1,980,000.00		558,876.25	2,538,876.25	
7/ 1/99			495,293.75	495,293.75	3,034,170.00
1/ 1/ 0	2,190,000.00		495,293.75	2,685,293.75	
7/ 1/ 0			422,043.75	422,043.75	3,107,337.50
1/ 1/ 1	2,345,000.00		422,043.75	2,767,043.75	
7/ 1/ 1			340,241.25	340,241.25	3,107,285.00
1/ 1/ 2	2,500,000.00		340,241.25	2,840,241.25	
7/ 1/ 2			252,512.50	252,512.50	3,092,753.75
1/ 1/ 3	2,275,000.00		252,512.50	2,527,512.50	
7/ 1/ 3			176,243.75	176,243.75	2,703,756.25
1/ 1/ 4	1,185,000.00		176,243.75	1,361,243.75	
7/ 1/ 4			132,318.75	132,318.75	1,493,562.50
1/ 1/ 5	1,220,000.00		132,318.75	1,352,318.75	
7/ 1/ 5			86,750.00	86,750.00	1,439,068.75
1/ 1/ 6	1,185,000.00		86,750.00	1,271,750.00	
7/ 1/ 6			42,362.50	42,362.50	1,314,112.50
1/ 1/ 7	1,125,000.00		42,362.50	1,167,362.50	1,167,362.50
	24,940,000.00		12,417,855.00	37,357,855.00	
ACCRUED					
	24,940,000.00		12,417,855.00	37,357,855.00	

Dated 1/ 1/93 with Delivery of 1/ 1/93
Bond Years 177,820.000
Average Coupon 6.983385
Average Life 7.129912
N I C % 6.983385 % Using 100.0000000
T I C % 6.950361 % From Delivery Date

First Chicago Capital Markets, Inc.

RUNDATE: 04-06-1993 @ 08:30:03 FILENAME: FW KEY: TOT

CITY OF FORT WAYNE, INDIANA
COMBINED ESCROW REQUIREMENTS FOR OUTSTANDING SERIES
67, 68, 82, 86, & 90 REVENUE BONDS REFUNDED

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93	11,398,500.00		852,268.75	12,250,768.75	12,250,768.75
1/ 1/94	825,000.00		502,343.75	1,327,343.75	
7/ 1/94			473,016.25	473,016.25	1,800,360.00
1/ 1/95	885,000.00		473,016.25	1,358,016.25	
7/ 1/95			441,002.50	441,002.50	1,799,018.75
1/ 1/96	900,000.00		441,002.50	1,341,002.50	
7/ 1/96			408,505.00	408,505.00	1,749,507.50
1/ 1/97	3,509,900.00		408,505.00	3,918,405.00	
7/ 1/97			290,810.00	290,810.00	4,209,215.00
1/ 1/98	6,339,600.00		290,810.00	6,630,410.00	
7/ 1/98			57,801.25	57,801.25	6,688,211.25
1/ 1/99	500,000.00		57,801.25	557,801.25	
7/ 1/99			40,868.75	40,868.75	598,670.00
1/ 1/ 0	600,000.00		40,868.75	640,868.75	
7/ 1/ 0			20,531.25	20,531.25	661,400.00
1/ 1/ 1	170,000.00		20,531.25	190,531.25	
7/ 1/ 1			10,968.75	10,968.75	201,500.00
1/ 1/ 2	195,000.00		10,968.75	205,968.75	205,968.75
	25,323,000.00		4,841,620.00	30,164,620.00	
ACCRUED					
	25,323,000.00		4,841,620.00	30,164,620.00	

Dated 1/ 1/93 with Delivery of 1/ 1/93
Bond Years 177,820.000
Average Coupon 2.722765
Average Life 2.647666
N I C % 2.722765 % Using 100.0000000
T I C % 7.184791 % From Delivery Date

First Chicago Capital Markets, Inc.

RUNDATE: 04-06-1993 @ 08:36:18 FILENAME: FW KEY: TOTC

CITY OF FORT WAYNE, INDIANA
SERIES 1967 WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING BONDS

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93			27,500.00	27,500.00	
1/ 1/94	145,000.00	5.000000	27,500.00	172,500.00	200,000.00
7/ 1/94			23,875.00	23,875.00	
1/ 1/95	150,000.00	5.000000	23,875.00	173,875.00	197,750.00
7/ 1/95			20,125.00	20,125.00	
1/ 1/96	155,000.00	5.000000	20,125.00	175,125.00	195,250.00
7/ 1/96			16,250.00	16,250.00	
1/ 1/97	165,000.00	5.000000	16,250.00	181,250.00	197,500.00
7/ 1/97			12,125.00	12,125.00	
1/ 1/98	175,000.00	5.000000	12,125.00	187,125.00	199,250.00
7/ 1/98			7,750.00	7,750.00	
1/ 1/99	185,000.00	5.000000	7,750.00	192,750.00	200,500.00
7/ 1/99			3,125.00	3,125.00	
1/ 1/ 0	125,000.00	5.000000	3,125.00	128,125.00	131,250.00
	1,100,000.00		221,500.00	1,321,500.00	
ACCRUED					
	1,100,000.00		221,500.00	1,321,500.00	

Dated 1/ 1/93 with Delivery of 1/ 1/93

Bond Years	4,430.000	
Average Coupon	5.000000	
Average Life	4.027273	
N I C %	5.000000 %	Using 100.0000000
T I C %	5.000000 %	From Delivery Date

RUNDATE: 03-19-1993 @ 11:07:37 FILENAME: FW KEY: 67

CITY OF FORT WAYNE, INDIANA
SERIES 1968 WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING BONDS

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93			35,100.00	35,100.00	
1/ 1/94	145,000.00	5.400000	35,100.00	180,100.00	215,200.00
7/ 1/94			31,185.00	31,185.00	
1/ 1/95	150,000.00	5.400000	31,185.00	181,185.00	212,370.00
7/ 1/95			27,135.00	27,135.00	
1/ 1/96	155,000.00	5.400000	27,135.00	182,135.00	209,270.00
7/ 1/96			22,950.00	22,950.00	
1/ 1/97	165,000.00	5.400000	22,950.00	187,950.00	210,900.00
7/ 1/97			18,495.00	18,495.00	
1/ 1/98	175,000.00	5.400000	18,495.00	193,495.00	211,990.00
7/ 1/98			13,770.00	13,770.00	
1/ 1/99	185,000.00	5.400000	13,770.00	198,770.00	212,540.00
7/ 1/99			8,775.00	8,775.00	
1/ 1/ 0	325,000.00	5.400000	8,775.00	333,775.00	342,550.00
	1,300,000.00		314,820.00	1,614,820.00	
ACCRUED					
	1,300,000.00		314,820.00	1,614,820.00	

Dated 1/ 1/93 with Delivery of 1/ 1/93
Bond Years 5,830.000
Average Coupon 5.400000
Average Life 4.484615
N I C % 5.400000 % Using 100.0000000
T I C % 5.400000 % From Delivery Date

RUNDATE: 03-19-1993 @ 11:11:54 FILENAME: FW KEY: 68

CITY OF FORT WAYNE
SERIES 1978A WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING MATURITIES

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93			349,925.00	349,925.00	
1/ 1/94	770,000.00	6.000000	349,925.00	1,119,925.00	1,469,850.00
7/ 1/94			326,825.00	326,825.00	
1/ 1/95	820,000.00	6.000000	326,825.00	1,146,825.00	1,473,650.00
7/ 1/95			302,225.00	302,225.00	
1/ 1/96	865,000.00	6.000000	302,225.00	1,167,225.00	1,469,450.00
7/ 1/96			276,275.00	276,275.00	
1/ 1/97	915,000.00	6.000000	276,275.00	1,191,275.00	1,467,550.00
7/ 1/97			248,825.00	248,825.00	
1/ 1/98	970,000.00	6.000000	248,825.00	1,218,825.00	1,467,650.00
7/ 1/98			219,725.00	219,725.00	
1/ 1/99	965,000.00	6.000000	219,725.00	1,184,725.00	1,404,450.00
7/ 1/99			190,775.00	190,775.00	
1/ 1/ 0	1,025,000.00	6.500000	190,775.00	1,215,775.00	1,406,550.00
7/ 1/ 0			157,462.50	157,462.50	
1/ 1/ 1	1,555,000.00	6.500000	157,462.50	1,712,462.50	1,869,925.00
7/ 1/ 1			106,925.00	106,925.00	
1/ 1/ 2	1,650,000.00	6.500000	106,925.00	1,756,925.00	1,863,850.00
7/ 1/ 2			53,300.00	53,300.00	
1/ 1/ 3	1,640,000.00	6.500000	53,300.00	1,693,300.00	1,746,600.00
	11,175,000.00		4,464,525.00	15,639,525.00	
ACCRUED					
	11,175,000.00		4,464,525.00	15,639,525.00	

Dated 1/ 1/93 with Delivery of 1/ 1/93
Bond Years 70,170.000
Average Coupon 6.362441
Average Life 6.279195
N I C % 6.362441 % Using 100.0000000
T I C % 6.349335 % From Delivery Date

RUNDATE: 03-19-1993 @ 12:06:58 FILENAME: FW KEY: 78

CITY OF FORT WAYNE
SERIES 1978A WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING MATURITIES

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CALLS PERFORMED
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CALL NO.	CALL DATE	FIRST MATURITY CALLED	LAST MATURITY CALLED	PRINCIPAL CALLED	CALL PRICE	CALL PREMIUM
1)	7/ 1/93	1/ 1/94	1/ 1/ 3	11,175,000.00	102.000	223,500.00
				11,175,000.00		223,500.00

RUNDATE: 03-19-1993 @ 11:18:35 FILENAME: FW KEY: 78

CITY OF FORT WAYNE
SERIES 1978A WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING MATURITIES

DEBT SERVICE AND CALL REPORT

DATE	ORIGINAL PRINCIPAL	PRINCIPAL CALLED	CALL PREMIUM	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93		11,175,000.00	223,500.00		349,925.00	11,748,425.00	11,748,425.00
		11,175,000.00	223,500.00		349,925.00	11,748,425.00	
ACCRUED							
		11,175,000.00	223,500.00		349,925.00	11,748,425.00	

Dated 1/ 1/93 with Delivery of 1/ 1/93

RUNDATE: 03-19-1993 @ 11:18:34 FILENAME: FW KEY: 78

CITY OF FORT WAYNE
SERIES 1982 WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING MATURITIES

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93			61,150.00	61,150.00	
1/ 1/94	65,000.00	10.750000	61,150.00	126,150.00	187,300.00
7/ 1/94			57,656.25	57,656.25	
1/ 1/95	75,000.00	11.250000	57,656.25	132,656.25	190,312.50
7/ 1/95			53,437.50	53,437.50	
1/ 1/96	90,000.00	11.250000	53,437.50	143,437.50	196,875.00
7/ 1/96			48,375.00	48,375.00	
1/ 1/97	100,000.00	11.250000	48,375.00	148,375.00	196,750.00
7/ 1/97			42,750.00	42,750.00	
1/ 1/98	115,000.00	11.250000	42,750.00	157,750.00	200,500.00
7/ 1/98			36,281.25	36,281.25	
1/ 1/99	130,000.00	11.250000	36,281.25	166,281.25	202,562.50
7/ 1/99			28,968.75	28,968.75	
1/ 1/ 0	150,000.00	11.250000	28,968.75	178,968.75	207,937.50
7/ 1/ 0			20,531.25	20,531.25	
1/ 1/ 1	170,000.00	11.250000	20,531.25	190,531.25	211,062.50
7/ 1/ 1			10,968.75	10,968.75	
1/ 1/ 2	195,000.00	11.250000	10,968.75	205,968.75	216,937.50
	1,090,000.00		720,237.50	1,810,237.50	
ACCRUED					
	1,090,000.00		720,237.50	1,810,237.50	

Dated 1/ 1/93 with Delivery of 1/ 1/93
Bond Years 6,405.000
Average Coupon 11.244926
Average Life 5.876147
N I C % 11.244926 % Using 100.0000000
T I C % 11.243192 % From Delivery Date

RUNDATE: 03-19-1993 @ 11:21:59 FILENAME: FW KEY: 82

CITY OF FORT WAYNE
SERIES 1986 WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING MATURITIES

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93			111,516.25	111,516.25	
1/ 1/94	215,000.00	5.750000	111,516.25	326,516.25	438,032.50
7/ 1/94			105,335.00	105,335.00	
1/ 1/95	235,000.00	5.900000	105,335.00	340,335.00	445,670.00
7/ 1/95			98,402.50	98,402.50	
1/ 1/96	250,000.00	6.000000	98,402.50	348,402.50	446,805.00
7/ 1/96			90,902.50	90,902.50	
1/ 1/97	270,000.00	6.200000	90,902.50	360,902.50	451,805.00
7/ 1/97			82,532.50	82,532.50	
1/ 1/98	270,000.00	6.300000	82,532.50	352,532.50	435,065.00
7/ 1/98			74,027.50	74,027.50	
1/ 1/99	210,000.00	6.400000	74,027.50	284,027.50	358,055.00
7/ 1/99			67,307.50	67,307.50	
1/ 1/ 0	235,000.00	6.500000	67,307.50	302,307.50	369,615.00
7/ 1/ 0			59,670.00	59,670.00	
1/ 1/ 1	265,000.00	6.600000	59,670.00	324,670.00	384,340.00
7/ 1/ 1			50,925.00	50,925.00	
1/ 1/ 2	275,000.00	6.600000	50,925.00	325,925.00	376,850.00
7/ 1/ 2			41,850.00	41,850.00	
1/ 1/ 3	225,000.00	6.750000	41,850.00	266,850.00	308,700.00
7/ 1/ 3			34,256.25	34,256.25	
1/ 1/ 4	260,000.00	6.750000	34,256.25	294,256.25	328,512.50
7/ 1/ 4			25,481.25	25,481.25	
1/ 1/ 5	295,000.00	6.750000	25,481.25	320,481.25	345,962.50
7/ 1/ 5			15,525.00	15,525.00	
1/ 1/ 6	260,000.00	6.750000	15,525.00	275,525.00	291,050.00
7/ 1/ 6			6,750.00	6,750.00	
1/ 1/ 7	200,000.00	6.750000	6,750.00	206,750.00	213,500.00
	3,465,000.00		1,728,962.50	5,193,962.50	
ACCRUED					
	3,465,000.00		1,728,962.50	5,193,962.50	

Dated 1/ 1/93 with Delivery of 1/ 1/93
Bond Years 26,195.000
Average Coupon 6.600353
Average Life 7.559885
N I C % 6.600353 % Using 100.0000000
T I C % 6.578664 % From Delivery Date

First Chicago Capital Markets, Inc.

RUNDATE: 04-06-1993 @ 08:39:05 FILENAME: FW KEY: 86ALL

CITY OF FORT WAYNE
SERIES 1986 WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING MATURITIES

CALLS PERFORMED

CALL NO.	CALL DATE	FIRST MATURITY CALLED	LAST MATURITY CALLED	PRINCIPAL CALLED	CALL PRICE	CALL PREMIUM
1)	1/ 1/97	1/ 1/98	1/ 1/ 7	2,495,000.00	102.000	49,900.00
				2,495,000.00		49,900.00

First Chicago Capital Markets, Inc.

RUNDATE: 04-06-1993 @ 08:39:29 FILENAME: FW KEY: 86ALL

Schedule 16

CITY OF FORT WAYNE
SERIES 1986 WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING MATURITIES

DEBT SERVICE AND CALL REPORT

DATE	ORIGINAL PRINCIPAL	PRINCIPAL CALLED	CALL PREMIUM	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93					111,516.25	111,516.25	
1/ 1/94	215,000.00			5.750000	111,516.25	326,516.25	438,032.50
7/ 1/94					105,335.00	105,335.00	
1/ 1/95	235,000.00			5.900000	105,335.00	340,335.00	445,670.00
7/ 1/95					98,402.50	98,402.50	
1/ 1/96	250,000.00			6.000000	98,402.50	348,402.50	446,805.00
7/ 1/96					90,902.50	90,902.50	
1/ 1/97	270,000.00	2,495,000.00	49,900.00	6.200000	90,902.50	2,905,802.50	2,996,705.00
	970,000.00	2,495,000.00	49,900.00		812,312.50	4,327,212.50	
ACCRUED							
	970,000.00	2,495,000.00	49,900.00		812,312.50	4,327,212.50	

Dated 1/ 1/93 with Delivery of 1/ 1/93

First Chicago Capital Markets, Inc.

RUNDATE: 04-06-1993 @ 08:39:27 FILENAME: FW KEY: 86ALL

CITY OF FORT WAYNE
SERIES 1990 WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING MATURITIES

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93			267,077.50	267,077.50	
1/ 1/94	255,000.00	9.500000	267,077.50	522,077.50	789,155.00
7/ 1/94			254,965.00	254,965.00	
1/ 1/95	275,000.00	9.500000	254,965.00	529,965.00	784,930.00
7/ 1/95			241,902.50	241,902.50	
1/ 1/96	250,000.00	9.500000	241,902.50	491,902.50	733,805.00
7/ 1/96			230,027.50	230,027.50	
1/ 1/97	265,000.00	9.500000	230,027.50	495,027.50	725,055.00
7/ 1/97			217,440.00	217,440.00	
1/ 1/98	285,000.00	7.100000	217,440.00	502,440.00	719,880.00
7/ 1/98			207,322.50	207,322.50	
1/ 1/99	305,000.00	7.200000	207,322.50	512,322.50	719,645.00
7/ 1/99			196,342.50	196,342.50	
1/ 1/ 0	330,000.00	7.250000	196,342.50	526,342.50	722,685.00
7/ 1/ 0			184,380.00	184,380.00	
1/ 1/ 1	355,000.00	7.300000	184,380.00	539,380.00	723,760.00
7/ 1/ 1			171,422.50	171,422.50	
1/ 1/ 2	380,000.00	7.400000	171,422.50	551,422.50	722,845.00
7/ 1/ 2			157,362.50	157,362.50	
1/ 1/ 3	410,000.00	7.500000	157,362.50	567,362.50	724,725.00
7/ 1/ 3			141,987.50	141,987.50	
1/ 1/ 4	925,000.00	7.600000	141,987.50	1,066,987.50	1,208,975.00
7/ 1/ 4			106,837.50	106,837.50	
1/ 1/ 5	925,000.00	7.700000	106,837.50	1,031,837.50	1,138,675.00
7/ 1/ 5			71,225.00	71,225.00	
1/ 1/ 6	925,000.00	7.700000	71,225.00	996,225.00	1,067,450.00
7/ 1/ 6			35,612.50	35,612.50	
1/ 1/ 7	925,000.00	7.700000	35,612.50	960,612.50	996,225.00
	6,810,000.00		4,967,810.00	11,777,810.00	
ACCRUED					
	6,810,000.00		4,967,810.00	11,777,810.00	

Dated 1/ 1/93 with Delivery of 1/ 1/93
Bond Years 64,790.000
Average Coupon 7.667557
Average Life 9.513950
N I C % 7.667557 % Using 100.0000000
T I C % 7.679508 % From Delivery Date

First Chicago Capital Markets, Inc.

RUNDATE: 04-06-1993 @ 08:37:44 FILENAME: FW KEY: 90ALL

CITY OF FORT WAYNE
SERIES 1990 WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING MATURITIES

CALLS PERFORMED

CALL NO.	CALL DATE	FIRST MATURITY CALLED	LAST MATURITY CALLED	PRINCIPAL CALLED	CALL PRICE	CALL PREMIUM
1)	1/ 1/98	1/ 1/99	1/ 1/ 7	5,480,000.00	102.000	109,600.00
				5,480,000.00		109,600.00

First Chicago Capital Markets, Inc.

RUNDATE: 04-06-1993 @ 08:38:08 FILENAME: FW KEY: 90ALL

Schedule 19

CITY OF FORT WAYNE
SERIES 1990 WATERWORKS REVENUE BONDS
REMAINING OUTSTANDING MATURITIES

DEBT SERVICE AND CALL REPORT

DATE	ORIGINAL PRINCIPAL	PRINCIPAL CALLED	CALL PREMIUM	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93					267,077.50	267,077.50	
1/ 1/94	255,000.00			9.500000	267,077.50	522,077.50	789,155.00
7/ 1/94					254,965.00	254,965.00	
1/ 1/95	275,000.00			9.500000	254,965.00	529,965.00	784,930.00
7/ 1/95					241,902.50	241,902.50	
1/ 1/96	250,000.00			9.500000	241,902.50	491,902.50	733,805.00
7/ 1/96					230,027.50	230,027.50	
1/ 1/97	265,000.00			9.500000	230,027.50	495,027.50	725,055.00
7/ 1/97					217,440.00	217,440.00	
1/ 1/98	285,000.00	5,480,000.00	109,600.00	7.100000	217,440.00	6,092,040.00	6,309,480.00
	1,330,000.00	5,480,000.00	109,600.00		2,422,825.00	9,342,425.00	
ACCRUED							
	1,330,000.00	5,480,000.00	109,600.00		2,422,825.00	9,342,425.00	

Dated 1/ 1/93 with Delivery of 1/ 1/93

First Chicago Capital Markets, Inc.

RUNDATE: 04-06-1993 @ 08:38:06 FILENAME: FW KEY: 90ALL

CITY OF FORT WAYNE, INDIANA
SEWAGE WORKS REFUNDING REVENUE BONDS, SERIES 1993

SOURCES AND USES OF FUNDS

DELIVERY DATE: 6/ 1/93

Sources of Funds

Par Amount of Bonds	$5,270,000.00	
+Premium /-Discount	$0.00	
Bond Proceeds		5,270,000.00
Contribution from Bond Funds		180,262.50
		$5,450,262.50

Uses of Funds

Estimated Cost of Escrow at 4.55%		5,300,477.11
Cost of Issuance	(2.000000%)	105,400.00
Bond Insurance	(0.500000%)	43,697.33
Contingency		688.06
		$5,450,262.50

RUNDATE: 04-08-1993 @ 09:10:33 FILENAME: FW KEY: SEWERREF

Schedule 2

CITY OF FORT WAYNE, INDIANA
SEWAGE WORKS REFUNDING REVENUE BONDS, SERIES 1993

SAVINGS REPORT

DATE	PROPOSED DEBT SERVICE PRINCIPAL	COUPON	INTEREST	TOTAL	PRIOR D/S	SAVINGS	CUMULATIVE SAVINGS
7/ 1/93			23,581.46				
1/ 1/94			141,488.75	165,070.21	360,525.00	195,454.79	15,192.29
7/ 1/94			141,488.75				
1/ 1/95	55,000.00	3.450000	141,488.75	337,977.50	360,525.00	22,547.50	37,739.79
7/ 1/95			140,540.00				
1/ 1/96	55,000.00	3.950000	140,540.00	336,080.00	360,525.00	24,445.00	62,184.79
7/ 1/96			139,453.75				
1/ 1/97	55,000.00	4.250000	139,453.75	333,907.50	360,525.00	26,617.50	88,802.29
7/ 1/97			138,285.00				
1/ 1/98	235,000.00	4.450000	138,285.00	511,570.00	535,525.00	23,955.00	112,757.29
7/ 1/98			133,056.25				
1/ 1/99	245,000.00	4.650000	133,056.25	511,112.50	537,575.00	26,462.50	139,219.79
7/ 1/99			127,360.00				
1/ 1/ 0	260,000.00	4.800000	127,360.00	514,720.00	538,325.00	23,605.00	162,824.79
7/ 1/ 0			121,120.00				
1/ 1/ 1	280,000.00	4.950000	121,120.00	522,240.00	547,745.00	25,505.00	188,329.79
7/ 1/ 1			114,190.00				
1/ 1/ 2	295,000.00	5.100000	114,190.00	523,380.00	545,265.00	21,885.00	210,214.79
7/ 1/ 2			106,667.50				
1/ 1/ 3	315,000.00	5.250000	106,667.50	528,335.00	551,400.00	23,065.00	233,279.79
7/ 1/ 3			98,398.75				
1/ 1/ 4	335,000.00	5.350000	98,398.75	531,797.50	555,610.00	23,812.50	257,092.29
7/ 1/ 4			89,437.50				
1/ 1/ 5	355,000.00	5.450000	89,437.50	533,875.00	557,747.50	23,872.50	280,964.79
7/ 1/ 5			79,763.75				
1/ 1/ 6	380,000.00	5.550000	79,763.75	539,527.50	562,947.50	23,420.00	304,384.79
7/ 1/ 6			69,218.75				
1/ 1/ 7	405,000.00	5.650000	69,218.75	543,437.50	565,647.50	22,210.00	326,594.79
7/ 1/ 7			57,777.50				
1/ 1/ 8	430,000.00	5.750000	57,777.50	545,555.00	571,007.50	25,452.50	352,047.29
7/ 1/ 8			45,415.00				
1/ 1/ 9	460,000.00	5.750000	45,415.00	550,830.00	573,637.50	22,807.50	374,854.79
7/ 1/ 9			32,190.00				
1/ 1/10	495,000.00	5.800000	32,190.00	559,380.00	583,200.00	23,820.00	398,674.79
7/ 1/10			17,835.00				
1/ 1/11	615,000.00	5.800000	17,835.00	650,670.00	674,218.75	23,548.75	422,223.54
	5,270,000.00		3,469,465.21	8,739,465.21	9,341,951.25		422,223.54
ACCRUED							
	5,270,000.00		3,469,465.21	8,739,465.21	9,341,951.25		422,223.54

RUNDATE: 04-08-1993 @ 09:26:37 FILENAME: FW KEY: SEWERREF

CITY OF FORT WAYNE, INDIANA
SEWAGE WORKS REFUNDING REVENUE BONDS, SERIES 1993

SAVINGS REPORT

Dated 6/ 1/93 with Delivery of 6/ 1/93		
Bond Years	62,659.167	
Average Coupon	5.537043	
Average Life	11.889785	
N I C %	5.537043 %	Using 100.0000000
T I C %	5.604998 %	From Delivery Date

Bond Insurance:
0.500000 % of (Total D/S - Accrued - Cap. Int.) = 43,697.33

N O T E : Cumulative Savings are Net of the Initial Transfer Amount of 180,262.50

Net Present Value Savings at: 5.6050% Equals 272,348.03 or 5.1679% of Par of the Current Issue
or 5.8633% of Par of the Prior Issue

N O T E : Present Value Savings are Net of the Initial Transfer Amount of 180,262.50

RUNDATE: 04-08-1993 @ 09:26:39 FILENAME: FW KEY: SEWERREF

CITY OF FORT WAYNE, INDIANA
SEWAGE WORKS REFUNDING REVENUE BONDS, SERIES 1993
DOLLAR TARGET FOR BOND YIELD

DATED 6/ 1/93
DELIVERY 6/ 1/93

Par		5,270,000.00
Bond Insurance	(0.500000 %)	-43,697.33
% of (Total D/S -Accrued -	0.00 Cap. Interest)	------------------
TIC Target Value		5,226,302.67

T I C % 5.60499786 % From Delivery Date

RUNDATE: 04-08-1993 @ 09:29:09 FILENAME: FW KEY: SEWERREF

CITY OF FORT WAYNE, INDIANA
SEWAGE WORKS REFUNDING REVENUE BONDS, SERIES 1993
PROOF OF BOND YIELD

PV DATE: 6/ 1/1993 with 2 Compoundings using 30/360 Year Basis

PV RESULTS: PV TOTAL = 5,226,302.67 PV RATE = 5.6049978571
CASH - FLOW SUBTOTAL = 8,739,465.21

DATE	AMOUNT	RATE	PV FACTOR	PV AMOUNT
7/ 1/1993	23,581.46	5.6049979	0.99540401	23,473.08
1/ 1/1994	141,488.75	5.6049979	0.96826831	136,999.07
7/ 1/1994	141,488.75	5.6049979	0.94187234	133,264.34
1/ 1/1995	196,488.75	5.6049979	0.91619596	180,022.20
7/ 1/1995	140,540.00	5.6049979	0.89121954	125,251.99
1/ 1/1996	195,540.00	5.6049979	0.86692401	169,518.32
7/ 1/1996	139,453.75	5.6049979	0.84329079	117,600.06
1/ 1/1997	194,453.75	5.6049979	0.82030184	159,510.77
7/ 1/1997	138,285.00	5.6049979	0.79793959	110,343.08
1/ 1/1998	373,285.00	5.6049979	0.77618696	289,738.95
7/ 1/1998	133,056.25	5.6049979	0.75502733	100,461.11
1/ 1/1999	378,056.25	5.6049979	0.73444453	277,661.34
7/ 1/1999	127,360.00	5.6049979	0.71442284	90,988.89
1/ 1/2000	387,360.00	5.6049979	0.69494696	269,194.65
7/ 1/2000	121,120.00	5.6049979	0.67600201	81,877.36
1/ 1/2001	401,120.00	5.6049979	0.65757352	263,765.89
7/ 1/2001	114,190.00	5.6049979	0.63964740	73,041.34
1/ 1/2002	409,190.00	5.6049979	0.62220998	254,602.10
7/ 1/2002	106,667.50	5.6049979	0.60524791	64,560.28
1/ 1/2003	421,667.50	5.6049979	0.58874825	248,256.00
7/ 1/2003	98,398.75	5.6049979	0.57269838	56,352.80
1/ 1/2004	433,398.75	5.6049979	0.55708605	241,440.40
7/ 1/2004	89,437.50	5.6049979	0.54189933	48,466.12
1/ 1/2005	444,437.50	5.6049979	0.52712661	234,274.83
7/ 1/2005	79,763.75	5.6049979	0.51275661	40,899.39
1/ 1/2006	459,763.75	5.6049979	0.49877835	229,320.21
7/ 1/2006	69,218.75	5.6049979	0.48518116	33,583.63
1/ 1/2007	474,218.75	5.6049979	0.47195463	223,809.74

RUNDATE: 04-08-1993 @ 09:13:31 FILENAME: FW KEY: SEWERREF

Schedule 6

CITY OF FORT WAYNE, INDIANA
SEWAGE WORKS REFUNDING REVENUE BONDS, SERIES 1993
PROOF OF BOND YIELD

DATE	AMOUNT	RATE	PV FACTOR	PV AMOUNT
7/ 1/2007	57,777.50	5.6049979	0.45908868	26,525.00
1/ 1/2008	487,777.50	5.6049979	0.44657346	217,828.49
7/ 1/2008	45,415.00	5.6049979	0.43439942	19,728.25
1/ 1/2009	505,415.00	5.6049979	0.42255726	213,566.78
7/ 1/2009	32,190.00	5.6049979	0.41103793	13,231.31
1/ 1/2010	527,190.00	5.6049979	0.39983262	210,787.76
7/ 1/2010	17,835.00	5.6049979	0.38893278	6,936.62
1/ 1/2011	632,835.00	5.6049979	0.37833009	239,420.52
SUBTOTAL	8,739,465.21			5,226,302.67

RUNDATE: 04-08-1993 @ 09:13:33 FILENAME: FW KEY: SEWERREF

Schedule 7

CITY OF FORT WAYNE, INDIANA
SEWAGE WORKS REFUNDING REVENUE BONDS, SERIES 1993
ESTIMATED COST OF ESCROW AT YIELD OF 4.55%

PV DATE: 6/ 1/1993 with 2 Compoundings using 30/360 Year Basis

PV RESULTS: PV TOTAL = 5,300,477.11 PV RATE = 4.5500000000
CASH - FLOW SUBTOTAL = 5,999,737.50

DATE	AMOUNT	RATE	PV FACTOR	PV AMOUNT
7/ 1/1993	180,262.50	4.5500000	0.99625784	179,587.93
1/ 1/1994	180,262.50	4.5500000	0.97409713	175,593.18
7/ 1/1994	180,262.50	4.5500000	0.95242936	171,687.30
1/ 1/1995	180,262.50	4.5500000	0.93124357	167,868.29
7/ 1/1995	180,262.50	4.5500000	0.91052904	164,134.24
1/ 1/1996	180,262.50	4.5500000	0.89027527	160,483.25
7/ 1/1996	4,918,162.50	4.5500000	0.87047203	4,281,122.92
SUBTOTAL	5,999,737.50			5,300,477.11

First Chicago Capital Markets, Inc.

RUNDATE: 04-07-1993 @ 13:28:58 FILENAME: FW KEY: SEWERREF

Schedule 8

CITY OF FORT WAYNE SEWERAGE WORKS JR. REVENUE BONDS OF 1986
ECONOMICALLY REFUNDABLE OUTSTANDING MATURITIES

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93			180,262.50	180,262.50	
1/ 1/94			180,262.50	180,262.50	360,525.00
7/ 1/94			180,262.50	180,262.50	
1/ 1/95			180,262.50	180,262.50	360,525.00
7/ 1/95			180,262.50	180,262.50	
1/ 1/96			180,262.50	180,262.50	360,525.00
7/ 1/96			180,262.50	180,262.50	
1/ 1/97			180,262.50	180,262.50	360,525.00
7/ 1/97			180,262.50	180,262.50	
1/ 1/98	175,000.00	7.400000	180,262.50	355,262.50	535,525.00
7/ 1/98			173,787.50	173,787.50	
1/ 1/99	190,000.00	7.500000	173,787.50	363,787.50	537,575.00
7/ 1/99			166,662.50	166,662.50	
1/ 1/ 0	205,000.00	7.600000	166,662.50	371,662.50	538,325.00
7/ 1/ 0			158,872.50	158,872.50	
1/ 1/ 1	230,000.00	7.600000	158,872.50	388,872.50	547,745.00
7/ 1/ 1			150,132.50	150,132.50	
1/ 1/ 2	245,000.00	7.700000	150,132.50	395,132.50	545,265.00
7/ 1/ 2			140,700.00	140,700.00	
1/ 1/ 3	270,000.00	7.700000	140,700.00	410,700.00	551,400.00
7/ 1/ 3			130,305.00	130,305.00	
1/ 1/ 4	295,000.00	7.750000	130,305.00	425,305.00	555,610.00
7/ 1/ 4			118,873.75	118,873.75	
1/ 1/ 5	320,000.00	7.750000	118,873.75	438,873.75	557,747.50
7/ 1/ 5			106,473.75	106,473.75	
1/ 1/ 6	350,000.00	7.800000	106,473.75	456,473.75	562,947.50
7/ 1/ 6			92,823.75	92,823.75	
1/ 1/ 7	380,000.00	7.800000	92,823.75	472,823.75	565,647.50
7/ 1/ 7			78,003.75	78,003.75	
1/ 1/ 8	415,000.00	7.800000	78,003.75	493,003.75	571,007.50
7/ 1/ 8			61,818.75	61,818.75	
1/ 1/ 9	450,000.00	7.875000	61,818.75	511,818.75	573,637.50
7/ 1/ 9			44,100.00	44,100.00	
1/ 1/10	495,000.00	7.875000	44,100.00	539,100.00	583,200.00
7/ 1/10			24,609.38	24,609.38	
1/ 1/11	625,000.00	7.875000	24,609.38	649,609.38	674,218.75
	4,645,000.00		4,696,951.25	9,341,951.25	
ACCRUED					
	4,645,000.00		4,696,951.25	9,341,951.25	

Dated 1/ 1/93 with Delivery of 1/ 1/93
Bond Years 60,240.000
Average Coupon 7.797064
Average Life 12.968784
N I C % 7.797064 % Using 100.0000000
T I C % 7.785924 % From Delivery Date

FIRST CHICAGO CAPITAL MARKETS, INC.

RUNDATE: 03-26-1993 @ 15:49:29 FILENAME: FW KEY: SEWER

CITY OF FORT WAYNE SEWERAGE WORKS JR. REVENUE BONDS OF 1986
ECONOMICALLY REFUNDABLE OUTSTANDING MATURITIES

CALLS PERFORMED

CALL NO.	CALL DATE	FIRST MATURITY CALLED	LAST MATURITY CALLED	PRINCIPAL CALLED	CALL PRICE	CALL PREMIUM
1)	7/ 1/96	1/ 1/98	1/ 1/11	4,645,000.00	102.000	92,900.00
				4,645,000.00		92,900.00

FIRST CHICAGO CAPITAL MARKETS, INC.

RUNDATE: 03-26-1993 @ 15:49:47 FILENAME: FW KEY: SEWER

CITY OF FORT WAYNE SEWERAGE WORKS JR. REVENUE BONDS OF 1986
ECONOMICALLY REFUNDABLE OUTSTANDING MATURITIES

DEBT SERVICE AND CALL REPORT

DATE	ORIGINAL PRINCIPAL	PRINCIPAL CALLED	CALL PREMIUM	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/93					180,262.50	180,262.50	
1/ 1/94					180,262.50	180,262.50	360,525.00
7/ 1/94					180,262.50	180,262.50	
1/ 1/95					180,262.50	180,262.50	360,525.00
7/ 1/95					180,262.50	180,262.50	
1/ 1/96					180,262.50	180,262.50	360,525.00
7/ 1/96		4,645,000.00	92,900.00		180,262.50	4,918,162.50	4,918,162.50
		4,645,000.00	92,900.00		1,261,837.50	5,999,737.50	
ACCRUED							
		4,645,000.00	92,900.00		1,261,837.50	5,999,737.50	

Dated 1/ 1/93 with Delivery of 1/ 1/93

FIRST CHICAGO CAPITAL MARKETS, INC.

RUNDATE: 03-26-1993 @ 15:49:46 FILENAME: FW KEY: SEWER

TODD S. KRZYSKOWSKI
Vice President
Public Finance Department

Mr. Krzyskowski is a Vice President in the Public Finance Department and is a generalist with primary support responsibility for municipal clients.

Mr. Krzyskowski has been instrumental in structuring numerous general obligation and municipal revenue bond transactions over the past two years. Most recently, he was lead investment banker on a $10 million Sewage Works Revenue Bond refinancing for the City of South Bend, Indiana. Additionally, he has structured municipal revenue bond refinancings for the cities of Bloomingdale and Joliet in Illinois and the City of West Memphis, Arkansas.

Mr. Krzyskowski joined First Chicago in 1982 and since then has held various finance and accounting positions including Controller of First Chicago Investment Services, Inc., the first registered securities broker-dealer within First Chicago Corporation. Since joining First Chicago Capital Markets, Mr. Krzyskowski has participated in the structuring of variable and fixed rate bond transactions for utility, public power clients, and municipalities. His other experience includes analyzing and executing advance and crossover refundings, asset sales, and escrow restructurings. Mr. Krzyskowski has also developed software models to analyze forward settlement swap and bond transactions, tender offers, and low to high interest rate refinancings. He recently spearheaded development of a cost-of-funds interest rate swap product which eliminates variable rate risk for municipal clients with outstanding adjustable rate bonds.

PATRICK E. REA
Vice President/Corporate Banker
Public Banking Department/Municipal Division

Mr. Rea joined First Chicago in 1969 and has worked in a wide variety of assignments in the Operations Division and Cash Management Division. Since 1979, he has served as a Relationship Manager in the Municipal Division. Mr. Rea manages several major municipal accounts and provides a full range of credit and non-credit products.

Mr. Rea has served 19 years as an elected municipal official in an Illinois Home Rule Community and since 1980 has been the Chairman of the City Council Finance Committee. He also serves on a number of boards of directors for public higher education, non-for-profit foundations and professional associations.

Major financings that Mr. Rea participated in or led include: Cook County Demand Note Programs 1980-87 ($200 million), Rock Falls Hydroelectric Financing Demand Note ($23 million); City of Springfield, IL Utility Financing ($30 million); Village of Orland Park Civic Center Demand Note ($12 million); South Suburban Bond Pool Demand Note($50 million); Financial Advisor for Illinois Development Finance Authority; and Financial Advisor for City of Rantoul Airport. Mr. Rea has worked on over $2 billion in debt financing during the 1980's and 1990's with approximately 25% of that figure in variable rate issues.

Mr. Rea holds a Bachelor of Science degree in Economics and Business and a Master of Arts in Economics, Political Science and History from the University of Illinois at Urbana, and is a graduate of the U.S. Army War College. He is a licensed representative of the MSRB. Mr. Rea is a member of the Government Finance Officers Association, American Institute of Banking, the Illinois Municipal Treasurers Association and the Illinois Municipal League. He currently serves as a Brigadier General in the U.S. Army Reserve and is Deputy Commanding General of the 85th Division. Mr. Rea is an associate in the Illinois Municipal Treasurers Association and the Illinois Municipal Utilities Association.

STEVEN C. TROUT
Assistant Vice President
Public Banking Department

Mr. Trout is responsible for marketing to municipalities in Illinois and Indiana. His responsibilities include preparing and making presentations and proposals and maintaining client relationships. He has structured over $350 million in financings, including participations in the City of Oak Forest/South Suburban Mayors and Managers Association Bond Bank, and has evaluated the credit worthiness of over 80 municipalities, airports, stadiums, hospitals, universities and colleges.

Prior to joining First Chicago in 1986, Mr. Trout was a Budget Analyst in the District of Columbia's multi-year Planning and Analysis Division of the Office of the Budget. He holds a Master of Management in Finance and Management Policy from Northwestern University and a Master of Public Management from the University of Maryland. Mr. Trout was a finalist in the U.S. Government's Presidential Management Intern Program and has a Bachelor of Science Degree from Guilford College in Greensboro, North Carolina.